

GOLD FIELDS LTD
Form 20-F
November 26, 2004

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As filed with the Securities and Exchange Commission on November 26, 2004

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 20-F

(Mark One)

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g)
OF THE SECURITIES EXCHANGE ACT OF 1934**
or
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended June 30, 2004
or
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission file number: 1-31318

Gold Fields Limited

(Exact name of registrant as specified in its charter)

Republic of South Africa

(Jurisdiction of incorporation or organization)

**24 St Andrews Road,
Parktown, 2193
South Africa
011-27-11-644-2400**

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Ordinary shares of par value Rand 0.50 each	New York Stock Exchange*
American Depositary Shares, each representing one ordinary share	New York Stock Exchange

* Not for trading, but only in connection with the registration of the American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission.

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Securities registered or to be registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report:

Ordinary shares of par value Rand 0.50 each 491,492,520

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark which financial statement item the registrant has elected to follow: Item 17 Item 18

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Presentation of Financial Information

Gold Fields is a South African company and the majority of its operations, based on gold production, are located there. Accordingly, its books of account are maintained in South African Rand and its annual and interim financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice, or S.A. GAAP, as prescribed by law. Gold Fields also prepares annual financial statements in accordance with United States Generally Accepted Accounting Principles, or U.S. GAAP, which are translated into U.S. dollars. Except as otherwise noted, the financial information included in this annual report has been prepared in accordance with U.S. GAAP and is presented in U.S. dollars; and descriptions of significant accounting policies refer to accounting policies under U.S. GAAP. The financial statements of Abosso Goldfields Limited, or Abosso, have been prepared in accordance with IFRS and reconciled to U.S. GAAP.

For Gold Fields financial statements, unless otherwise stated, balance sheet item amounts are translated from Rand to U.S. dollars at the exchange rate prevailing on the date of the balance sheet (Rand 6.30 per \$1.00 as of June 30, 2004), except for specific items included within shareholders equity that are translated at the rate prevailing on the date the relevant transaction was entered into, and statement of operations item amounts are translated from Rand to U.S. dollars at the weighted average exchange rate for each period (Rand 6.90 per \$1.00 for the year ended June 30, 2004).

In this annual report, Gold Fields presents the financial items total cash costs, total cash costs per ounce, total production costs and total production costs per ounce, which have been determined using industry standards promulgated by the Gold Institute and are not U.S. GAAP measures. An investor should not consider these items in isolation or as alternatives to production costs, net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Key Information Selected Historical and Pro Forma Financial Data Selected Historical Consolidated Financial Data, Information on the Company Glossary of Mining Terms Total cash costs per ounce and Information on the Company Glossary of Mining Terms Total production costs per ounce.

Defined Terms and Conventions

In this annual report, all references to South Africa are to the Republic of South Africa, all references to Ghana are to the Republic of Ghana, all references to Australia are to the Commonwealth of Australia and all references to Finland are to the Republic of Finland.

This annual report contains descriptions of gold mining and the gold mining industry, including descriptions of geological formations and mining processes. In order to facilitate a better understanding of these descriptions, this annual report contains a glossary defining a number of technical and geological terms. See Information on the Company Glossary of Mining Terms.

In this annual report, R and Rand refer to the South African Rand, cents and Rand cents refer to subunits of the South African Rand, GHC and Cedi refer to Ghanaian Cedi, \$ and U.S. dollars refer to United States dollars, U.S. cents refers to subunits of the U.S. dollar, A\$ and Australian dollars refer to Australian dollars and C\$ refers to Canadian dollars.

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In this annual report, gold production figures are provided in troy ounces, which are referred to as ounces, or oz, and ore grades are provided in grams per metric tonne, which are referred to as grams per tonne or g/t. All references to tonnes or t in this annual report are to metric tonnes. See Information on the Company Glossary of Mining Terms for further information regarding units of measurement used in this annual report and a table providing rates of conversion between different units of measurement.

In this annual report, unless otherwise noted, historical financial information and production statistics for Gold Fields prior to the dates of the acquisitions of the St. Ives, Agnew and Damang gold mining operations do not include activity attributable to the St. Ives and Agnew gold mining operations in Australia, which Gold Fields acquired from WMC Limited and WMC Resources Ltd on November 30, 2001, or the Damang gold mining operation in Ghana, which Gold Fields and Repadre Capital Corporation acquired when they purchased Abosso Goldfields Limited from Ranger Minerals Limited on January 23, 2002. In addition, except where otherwise noted, all production and operating statistics are based on Gold Fields' total operations, which include production from the Tarkwa and Damang mines in Ghana which is attributable to the minority shareholders in those mines.

For the convenience of the reader, certain information in this annual report presented in Rand and Australian dollars has been translated into U.S. dollars. Unless otherwise stated, the conversion rates for these translations are Rand 6.10 and A\$1.34 per \$1.00, respectively, which were the noon buying rates on October 29, 2004. By including convenience currency translations, Gold Fields is not representing that the Rand and Australian dollar amounts actually represent the U.S. dollar amounts shown or that these amounts could be converted into U.S. dollars at the rates indicated.

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Part I

Item 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

Item 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

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The selected historical financial data set out below for the three years ended June 30, 2004, and as of June 30, 2004, 2003 and 2002 have been extracted from the more detailed information and financial statements, including Gold Fields' audited consolidated financial statements for those years and as of those dates and the related notes, which appear elsewhere in this annual report. The summary financial data for the two years ended June 30, 2001, and as of June 30, 2001 and 2000 have been derived from Gold Fields' audited consolidated financial statements as of that date, which are not included in this annual report. The selected historical financial data presented below have been prepared in accordance with U.S. GAAP.

	Year ended June 30,				
	2000	2001	2002	2003	2004
	(in \$ millions, except where otherwise noted)				
Statement of Operations Data					
Revenues	1,130.4	1,028.4	1,219.4	1,564.2	1,727.3
Production costs	861.8	743.4	710.0	1,015.0	1,355.2
Corporate expenditure	13.9	16.0	12.3	16.6	20.3
Depreciation and amortization	135.5	99.8	113.3	188.1	198.6
Exploration expenditure	11.7	17.7	16.5	29.6	39.9
Franco-Nevada merger costs		2.5			
Settlement costs of Oberholzer irrigation water dispute		1.2	1.0		
Impairment of assets	15.7	112.1		29.6	72.7
Increase/(decrease) in post-retirement healthcare provision	8.4	8.8	6.6	(5.0)	(5.1)
Increase in provision for environmental rehabilitation	5.6	12.2	4.7	5.3	8.4
Finance expense/(income)	3.2	1.9	(8.3)	(4.2)	12.2
Unrealized loss/(gain) on financial instruments	2.0	(0.8)	(45.9)	(35.7)	(39.2)
Realized loss/(gain) on financial instruments	14.4	(7.4)	(4.7)	(15.1)	8.7
Employment termination costs	16.0	5.0	6.4	3.8	10.5
Profit on sale of non-current investments				(57.2)	(13.9)
Write-down of investments		2.0			
Stock compensation			4.8		
New York Stock Exchange listing and associated costs			4.3		
Gain on disposal of St. Helena mine				(13.4)	
Share of equity investees' losses	0.8				
Profit on sale of mineral rights					(27.1)
Write-down of mineral rights					3.6
Other expenses	1.4	1.0		0.3	

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	Year ended June 30,				
	2000	2001	2002	2003	2004
	(in \$ millions, except where otherwise noted)				
Income before tax	40.0	13.0	398.4	406.5	82.5
Income and mining tax benefit/(expense)	85.2	(21.6)	(147.1)	(133.8)	(11.8)
Income/(loss) before minority interests	125.2	(8.6)	251.3	272.7	70.7
Minority interests	1.7	(8.8)	(12.2)	(14.4)	(21.8)
Income/(loss) before cumulative effect of changes in accounting principles	126.9	(17.4)	239.1	258.3	48.9
Cumulative effect of changes in accounting principles, net of tax		(0.6)		(1.3)	
Net income/(loss)	126.9	(18.0)	239.1	257.0	48.9
Other Financial and Operating Data					
Basic earnings/(loss) per share before cumulative effect of changes in accounting principles (\$)	0.28	(0.04)	0.52	0.55	0.10
Diluted earnings/(loss) per share before cumulative effect of changes in accounting principles (\$)	0.28	(0.04)	0.51	0.54	0.10
Basic earnings/(loss) per share (\$)	0.28	(0.04)	0.52	0.54	0.10
Diluted earnings/(loss) per share (\$)	0.28	(0.04)	0.51	0.54	0.10
Dividend per share (Rand)	0.50	1.05	1.30	3.70	1.40
Dividend per share (\$)	0.08	0.13	0.13	0.39	0.19
Total cash costs per ounce of gold produced(\$/oz) ⁽¹⁾	215	194	170	212	302
Total production costs per ounce of gold produced (\$/oz) ⁽²⁾	251	224	198	254	349

Notes:

- (1) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The standard was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry standard, are production costs as recorded in the statement of operations, less offsite (i.e., central) general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees, refinery charges and social development costs), rehabilitation costs, amortization, reclamation, capital development and exploration costs, plus royalties and employee termination costs. Under U.S. GAAP, production costs do not include amortization, reclamation, capital development or

certain exploration costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and the Australian dollar compared to the U.S. dollar. Management, however, believes that total cash costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total cash costs per ounce is not a U.S. GAAP measure. An investor should not consider total cash costs per ounce in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total cash costs, adoption of the standard is voluntary and thus the calculation of total cash costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies. See Information on the Company Glossary of Mining Terms Total cash costs per ounce. For a reconciliation of Gold Fields production costs to its total cash costs for fiscal 2004, 2003 and 2002, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2003 and 2004 and Years Ended June 30, 2002 and 2003.

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(2) Gold Fields has calculated total production costs per ounce by dividing total production costs, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. Total production costs, as defined by the Gold Institute industry standard, are total cash costs, as calculated using the Gold Institute industry standard, plus amortization, depreciation and rehabilitation costs. Changes in total production costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and the Australian dollar compared to the U.S. dollar. Management, however, believes that total production costs per ounce provides a measure for comparing Gold Fields' operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total production costs per ounce is not a U.S. GAAP measure. An investor should not consider total production costs per ounce in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total production costs, adoption of the standard is voluntary and thus the calculation of total production costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies. See *Information on the Company* Glossary of Mining Terms *Total production costs per ounce*. For a reconciliation of Gold Fields' production costs to its total production costs for fiscal 2004, 2003 and 2002, see *Operational and Financial Review and Prospects* Results of Operations *Years Ended June 30, 2003 and 2004* and *Years Ended June 30, 2002 and 2003*.

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	2000	2001	2002	2003	2004
	(in \$ millions, except where otherwise noted)				
Balance Sheet Data					
Cash and cash equivalents	75.8	23.6	195.1	133.6	656.3
Financial instruments					37.0
Receivables	36.0	50.5	56.2	74.9	116.4
Inventories	24.5	21.1	68.5	76.8	63.9
Material contained on heap leach pads	17.7	31.3	45.0	41.8	42.5
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	159.0	126.5	364.8	327.1	916.1
Property, plant and equipment, net ⁽¹⁾	2,178.1	1,798.7	1,726.9	2,231.0	2,805.5
Financial instruments			46.2	67.7	70.3
Non-current investments	38.5	42.2	73.3	101.0	179.8
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	2,375.6	1,967.4	2,211.2	2,726.8	3,971.7
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Accounts payable and provisions	148.1	127.4	153.3	184.7	290.6
Income and mining taxes payable	13.9	1.2	44.5	52.0	14.2
Current portion of long-term loans	10.0		37.0	20.5	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	172.0	128.6	234.8	257.2	304.8
Long term loans	20.0		145.0	21.1	643.2
Deferred income and mining taxes	588.8	506.9	448.2	647.3	769.0
Provision for environmental rehabilitation	42.6	47.5	58.8	99.2	116.0
Provision for post-retirement health care costs	55.9	51.0	44.7	23.9	18.9
Minority interests	29.4	39.0	52.8	58.8	102.7
Share capital	41.1	41.3	42.1	42.2	43.6
Additional paid-in capital	1,493.0	1,498.1	1,560.8	1,565.2	1,792.3
Retained earnings	81.9	2.7	182.6	255.3	211.6
Accumulated other comprehensive loss	(149.1)	(347.7)	(556.8)	(243.4)	(30.4)

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Total shareholders equity	<u>1,466.9</u>	<u>1,194.4</u>	<u>1,226.9</u>	<u>1,619.3</u>	<u>2,017.1</u>
Total liabilities and shareholders equity	<u>2,375.6</u>	<u>1,967.4</u>	<u>2,211.2</u>	<u>2,726.8</u>	<u>3,971.7</u>

Other Data

Number of ordinary shares as adjusted to reflect changes in capital structure	453,250,595	455,836,608	470,522,224	472,364,872	491,492,520
Net assets	<u>1,466.9</u>	<u>1,194.4</u>	<u>1,226.9</u>	<u>1,619.3</u>	<u>2,017.1</u>

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- (1) As discussed in Note 2 to the consolidated financial statements which appear elsewhere in this annual report, Gold Fields changed its method of accounting for mineral and surface use rights during the 2004 fiscal year in accordance with FASB Staff Position FAS 141-1, which required the balance of the mineral interests and other intangible assets in 2002 and 2003 to be restated and included as part of Property, plant and equipment, net.

Exchange Rates

The following tables set forth, for the periods indicated, the average, high, low and period-end noon buying rates in New York City for cable transfers in Rand as certified for customs purposes by the Federal Reserve Bank of New York expressed in Rand per \$1.00:

	Year ended June 30,			
	Average⁽¹⁾	High	Low	Period end
2000	6.37	7.18	5.98	6.79
2001	7.64	8.16	6.79	8.05
2002	10.20	13.60	8.01	10.39
2003	9.12	10.90	7.18	7.51
2004	6.82	7.80	6.17	6.23
2005 (through October 29, 2004)	6.39	6.73	5.90	6.10

Note:

- (1) The average of the noon buying rates on the last day of each full month during the relevant period.

	Month ended		
	High	Low	Period end
May 31, 2004	7.05	6.52	6.52
June 30, 2004	6.64	6.17	6.23
July 31, 2004	6.34	5.91	6.27
August 31, 2004	6.74	6.09	6.65
September 30, 2004	6.67	6.40	6.45
October 29, 2004	6.61	6.10	6.10

The noon buying rate for the Rand on October 29, 2004 was Rand 6.10 per \$1.00. Fluctuations in the exchange rate between the Rand and the U.S. dollar will affect the dollar equivalent of the price of the ordinary shares on JSE, which may affect the market price of the ADSs on the New York Stock Exchange. These fluctuations will also affect the dollar amounts received by owners of ADSs on the conversion of any dividends paid in Rand on the ordinary shares.

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RISK FACTORS

In addition to the other information included in this annual report, the considerations listed below could have a material adverse effect on Gold Fields' business, financial condition or results of operations, resulting in a decline in the trading price of Gold Fields' ordinary shares or ADSs. The risks set forth below comprise all material risks currently known to Gold Fields. However, there may be additional risks that Gold Fields does not currently know of or that Gold Fields currently deems immaterial based on the information available to it. These factors should be considered carefully, together with the information and financial data set forth in this document.

The defense against Harmony's unsolicited offer to purchase all of Gold Fields' outstanding ordinary shares could require Gold Fields to incur significant costs and demand significant management time.

On October 18, 2004, Harmony Gold Mining Company Limited, or Harmony, announced an unsolicited and hostile tender offer to acquire the entire issued share capital of Gold Fields. According to the registration statement on Form F-4, or the Form F-4, filed by Harmony with the SEC, Harmony has structured the tender offer to occur in two steps. The first step consists of an early settlement offer in which Harmony has offered, subject to certain conditions, to acquire up to 34.9% of the outstanding Gold Fields ordinary shares (including ordinary shares in the form of American depositary shares, or ADSs). Subject to satisfaction of the conditions to the early settlement offer, Harmony has stated that the offer will close on November 26, 2004. According to the Form F-4, following completion of the early settlement offer, Harmony has irrevocably committed to make a subsequent offer to acquire, subject to certain conditions, the remaining Gold Fields ordinary shares and ADSs not tendered or accepted for payment in the early settlement offer on same terms as were given in the early settlement offer. As disclosed by Harmony, each of the early settlement offer and the subsequent offer are comprised of two offers—a U.S. Offer which is available to holders of Gold Fields ordinary shares located in the United States and holders of Gold Fields ADSs wherever located and an International Offer which is available to holders of Gold Fields ordinary shares outside the United States to the extent such holders may lawfully participate in the International Offer. In the Form F-4, Harmony states that, with respect to the early settlement offer, the U.S. Offer and the International Offer are being made on substantially similar terms and are subject to substantially similar conditions.

In response to Harmony's unsolicited and hostile tender offer, on November 3, 2004, the Board of Gold Fields issued an Offer Response Document to its shareholders and filed a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC recommending that Gold Fields shareholders take no action and reject the Harmony offer. See Information on the Company Recent Developments Harmony Offer.

Gold Fields is pursuing various legal and regulatory actions in South Africa and the United States challenging the basis on which the Harmony offer is being made. These actions could be protracted and could be costly to pursue. Moreover, there can be no assurance that Gold Fields will be successful in any of these actions. In addition, responding to the Harmony offer has required, and may continue to require, a significant amount of management time. It has also required and may continue to require Gold Fields to incur significant costs, which could adversely affect Gold Fields' business and results of operations. The Harmony Offer may interfere with Gold Fields' ability to successfully complete the proposed transaction with the IAMGold Corporation. See Information on the Company Recent Developments Proposed IAM Gold Transaction.

Harmony's offer to purchase Gold Fields' outstanding ordinary shares may result in an event of default under the Mvela Loan Agreement.

Gold Fields, GFI Mining South Africa (Proprietary) Limited, or GFIMSA, Mvelaphanda Gold (Proprietary) Limited, or Mvela Gold, First Rand Bank Limited, Gold Fields Australia Pty Limited, or Gold Fields

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Australia, and Gold Fields Guernsey Limited, or Gold Fields Guernsey, entered into a loan agreement dated December 11, 2003, as amended on February 13, 2004 and on November 17, 2004, which is referred to in this discussion as the Mvela Loan Agreement. Pursuant to the Mvela Loan Agreement, Mvela Gold advanced a loan of Rand 4,139 million, or the Mvela Loan, to GFIMSA on March 17, 2004. The events of default under the Mvela Loan Agreement include any change in control of Gold Fields that occurs without the written consent of the agent, or the Senior Agent, of the providers of the commercial bank debt that funded, in part, the Mvela Loan, where the change in control could reasonably be expected to have a material adverse effect on the ability of Gold Fields, Gold Fields Australia and Gold Fields Guernsey, as guarantors of the Mvela Loan, or on GFIMSA, to perform their obligations under the Mvela Loan or on the validity or enforceability of any document relating to the Mvela Loan. If Harmony acquires enough Gold Fields shares in the early settlement offer or the subsequent offer to effect a change of control and Gold Fields does not obtain the consent of the Senior Agent to that change of control, there may be an event of default under the Mvela Loan Agreement. The occurrence of an event of default under the Mvela Loan Agreement would allow the Senior Agent, on behalf of Mvela Gold, to demand immediate repayment of the principal amount of Mvela Loan, the present value of all future interest payments on the Mvela Loan and any tax payable by Mvela Gold as a result of the early payment of the principal and interest. The source of funds for these repayments would be Gold Fields' available cash. However, there can be no assurance that Gold Fields will have sufficient cash upon a change of control to satisfy these repayment obligations. If Gold Fields does not have sufficient cash, it may be required, among other things, to seek financing in the debt market, sell selected assets or reduce or delay planned capital expenditures or acquisitions. There can be no assurance that any of these measures would enable Gold Fields to satisfy the repayment obligations or that any such financing or sale of assets would be available on commercially favorable terms. See Information on the Company-Recent Developments-Harmony Offer and Operating and Financial Review and Prospects-Overview-Mvelaphanda Transaction.

Harmony's offer to purchase Gold Fields' outstanding ordinary shares may allow it to exercise a substantial degree of control over Gold Fields.

The structure of Harmony's offer to purchase Gold Fields' outstanding shares means that Harmony could end up holding a significant portion, but less than all, of Gold Fields' outstanding ordinary shares. Under the early settlement offer, Harmony has offered, subject to certain conditions, to acquire up to 34.9% of Gold Fields' outstanding ordinary shares, and may therefore acquire any amount of shares up to the 34.9% level. Harmony has stated that under the subsequent offer it will seek to acquire the remaining Gold Fields ordinary shares not tendered in the early settlement offer. Harmony has stated that the subsequent offer will be subject to certain conditions including receiving acceptances in the subsequent offer from Gold Fields' shareholders holding in excess of 50% of the entire share capital of Gold Fields, including those Gold Fields ordinary shares settled by Harmony under the early settlement offer and those Gold Fields ordinary shares in respect of which Gold Fields' largest shareholder, OJSC MMC Norilsk Nickel, has irrevocably undertaken to accept the subsequent offer. See Information on the Company-Recent Development-Harmony Offer. Depending on the number of Gold Fields' ordinary shares Harmony may obtain in one or both of the early settlement offer and the subsequent offer, Harmony could be able to exercise significant influence over Gold Fields' operations and business strategy, including the composition of the Board of Directors, declaration of dividends, disposal of assets and changes of control. The interests of Harmony in these matters may not be aligned with, and could conflict with, the interests of other shareholders and could inhibit Gold Fields' development. If Harmony obtains a significant number, even if less than 50%, of Gold Fields' shares, it could have the effect of delaying, deferring or preventing a change of control, may discourage other bids for Gold Fields' ordinary shares and may adversely affect the market price of Gold Fields' ordinary shares. If Harmony acquires more than 50%, but less than all, of the Gold Fields' ordinary shares, it will have no

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fiduciary obligations under South African common law to minority shareholders. See Additional Information-Rights of Minority Shareholders and Directors Duties.

Changes in the market price for gold, which in the past has fluctuated widely, affect the profitability of Gold Fields operations and the cash flows generated by those operations.

Substantially all of Gold Fields revenues are derived from the sale of gold. Historically, the market price for gold has fluctuated widely and has been affected by numerous factors over which Gold Fields has no control, including:

the demand for gold for industrial uses and for use in jewelry;

actual, expected or rumored purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers;

speculative trading activities in gold;

the overall level of forward sales by other gold producers;

the overall level and cost of production by other gold producers;

international or regional political and economic events or trends;

the strength of the U.S. dollar (the currency in which gold prices generally are quoted) and of other currencies;

financial market expectations regarding the rate of inflation; and

interest rates.

In addition, the current demand for and supply of gold affects the price of gold, but not necessarily in the same manner as current demand and supply affect the prices of other commodities. Since the potential supply of gold is large relative to mine production in any given year, normal variations in current production will not necessarily have a significant effect on the supply of gold or the gold price. Central banks, financial institutions and individuals historically have held large amounts of gold as a store of value and production in any given year historically has constituted a small portion of the total potential supply of gold. Historically, gold has tended to retain its value in relative terms against basic goods in times of inflation and monetary crisis.

On March 8, 2004, fifteen European central banks entered into a new gold sales agreement effective September 27, 2004, pursuant to which they restrict their annual sales of gold to specified limits. This agreement will be reviewed in five years. Although the new agreement calls for an increase in the amount of gold that can be sold of 100 tonnes of gold per year to 500 tonnes yearly, the effect on the market in terms of total gold sales is unclear.

While the aggregate effect of these factors is impossible for Gold Fields to predict, if gold prices should fall below Gold Fields cost of production and remain at such levels for any sustained period, Gold Fields may experience losses and may be forced to curtail or suspend some or all of its operations. In addition, Gold Fields might not be able to recover any losses it may incur during that period.

Because Gold Fields does not use commodity or derivative instruments to protect against low gold prices with respect to its production, Gold Fields is exposed to the impact of any significant drop in the gold price.

Unlike many other gold producers, as a general rule Gold Fields sells its gold production at market prices. Gold Fields generally does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for the sale of its future gold production. In general, hedging reduces the risk of exposure

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to volatility in the gold price. Hedging also enables a gold producer to fix a future price for hedged gold that generally is higher than the then current spot price. To the extent that it does not generally use commodity or derivative instruments, Gold Fields will not be protected against decreases in the gold price, and if the gold price decreases significantly, Gold Fields runs the risk of reduced revenues in respect of gold production that is not hedged. See Quantitative and Qualitative Disclosures About Market Risk.

Gold Fields' gold reserves are estimates based on a number of assumptions, any changes to which may require Gold Fields to lower its estimated reserves.

The ore reserves stated in this annual report represent the amount of gold that Gold Fields believed, as of June 30, 2004, could be mined, processed and sold at prices sufficient to recover Gold Fields' estimated future total costs of production, remaining investment and anticipated additional capital expenditures. Ore reserves are only estimates based on assumptions regarding, among other things, Gold Fields' costs, expenditures, prices and exchange rates, many of which are beyond Gold Fields' control. In the event that Gold Fields revises any of these assumptions in an adverse manner, Gold Fields may need to revise its ore reserves downwards. In particular, if Gold Fields' production costs or capital expenditures increase or if gold prices decrease or the Rand or Australian dollar strengthens against the U.S. dollar, a portion of Gold Fields' ore reserves may become uneconomical to recover, forcing Gold Fields to lower its estimated reserves.

To the extent that Gold Fields seeks to expand through acquisitions, it may experience problems in executing acquisitions or managing and integrating the acquisitions with its existing operations.

In order to expand its operations and reserve base, Gold Fields may seek to make acquisitions of selected precious metal producing companies or assets. Gold Fields' success at making any acquisitions will depend on a number of factors, including, but not limited to:

- negotiating acceptable terms with the seller of the business to be acquired;
 - obtaining approval from regulatory authorities in South Africa and the jurisdiction of the business to be acquired;
 - assimilating the operations of an acquired business in a timely and efficient manner;
 - maintaining Gold Fields' financial and strategic focus while integrating the acquired business;
 - implementing uniform standards, controls, procedures and policies at the acquired business; and
- to the extent that Gold Fields makes an acquisition outside of markets in which it has previously operated, conducting and managing operations in a new operating environment.

Any problems experienced by Gold Fields in connection with an acquisition as a result of one or more of these factors could have a material adverse effect on Gold Fields' business, operating results and financial condition.

To the extent that Gold Fields seeks to expand through its exploration program, it may experience problems associated with mineral exploration or developing mining projects.

In order to expand its operations and reserve base, Gold Fields may rely on its exploration program for gold and platinum group metals and its ability to develop mining projects. Exploration for gold and other precious metals is speculative in nature, involves many risks and frequently is unsuccessful. Any exploration program entails risks relating to the location of economic orebodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and regulatory approvals and the construction of mining and processing facilities at

the mining site. Gold Fields' exploration efforts may not result in the discovery of gold or platinum group metal mineralization and any mineralization discovered may not result in an increase of Gold Fields' reserves. If orebodies are developed, it can take a number of years and substantial

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expenditures from the initial phases of drilling until production commences, during which time the economic feasibility of production may change. Gold Fields' exploration program may not result in the replacement of current production with new reserves or result in any new commercial mining operations. Also, to the extent Gold Fields participates in the development of a project through a joint venture there could be disagreements or divergent interests or goals among the joint venture parties, which could jeopardize the success of the project.

In addition, significant capital investment is required to achieve commercial production from exploration efforts. There is no assurance that Gold Fields will have, or be able to raise, the required funds to engage in these activities or to meet its obligations with respect to the exploration properties in which it has or may acquire an interest.

Due to the nature of mining and the type of gold mines it operates, Gold Fields faces a material risk of liability, delays and increased production costs from environmental and industrial accidents and pollution.

The business of gold mining by its nature involves significant risks and hazards, including environmental hazards and industrial accidents. In particular, hazards associated with Gold Fields' underground mining operations include:

rock bursts;

seismic events, particularly at the Driefontein and Kloof operations;

underground fires and explosions, including those caused by flammable gas;

cave-ins or falls of ground;

discharges of gases and toxic chemicals;

releases of radioactivity;

flooding;

sinkhole formation and ground subsidence; and

other accidents and conditions resulting from drilling, blasting and removing and processing material from an underground mine.

Hazards associated with Gold Fields' open pit mining operations include:

flooding of the open pit;

collapses of the open pit walls;

accidents associated with the operation of large open pit mining and rock transportation equipment;

accidents associated with the preparation and ignition of large scale open pit blasting operations;

production disruptions due to weather; and

hazards associated with heap leach processing, such as groundwater and waterway contamination.

Hazards associated with Gold Fields' rock dump and production stockpile mining and tailings disposal include:

accidents associated with operating a rock dump and production stockpile and rock transportation;

production disruptions due to weather;

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collapses of tailings dams; and

ground and surface water pollution, on and off site.

Gold Fields is at risk of experiencing any and all of these environmental or other industrial hazards. The occurrence of any of these hazards could delay production, increase production costs and result in liability for Gold Fields.

Gold Fields insurance coverage may prove inadequate to satisfy potential claims.

Gold Fields may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities. Gold Fields existing property and liability insurance contains exclusions and limitations on coverage. In fiscal 2003, in an effort to reduce costs, Gold Fields changed from business interruption insurance cover based on gross profit to cover based on fixed operating costs or standing charges only. Should Gold Fields suffer a major loss, future earnings could be affected. In addition, insurance may not continue to be available at economically acceptable premiums. As a result, in the future Gold Fields insurance coverage may not cover the extent of claims against Gold Fields, including, but not limited to, claims for environmental or industrial accidents or pollution.

Because most of Gold Fields production costs are in Rand and Australian dollars, while gold is generally sold in U.S. dollars, Gold Fields operating results or financial condition could be materially harmed by an appreciation in the value of the Rand or the Australian dollar.

Gold is sold throughout the world principally in U.S. dollars, but Gold Fields operating costs are incurred principally in Rand and Australian dollars. As a result, any significant and sustained appreciation of either of these currencies against the U.S. dollar may materially increase Gold Fields costs and reduce its net revenue.

The Rand and the Australian dollar each appreciated against the U.S. dollar during calendar years 2002 and 2003, with the Rand appreciating by approximately 28.4% and 22.9% in 2002 and 2003, respectively, and the Australian dollar appreciating by approximately 10.0% and 24.6% in 2002 and 2003, respectively. More recently, the Rand and the Australian dollar have experienced a period of further appreciation against the U.S. dollar. As of October 29, 2004, the Rand had appreciated by 8.8%, and the Australian dollar had appreciated by 0.3%, against the U.S. dollar since January 1, 2004. This appreciation has already significantly increased Gold Fields costs in U.S. dollar terms particularly at its South African operations and continuation of the appreciation trend for either of these currencies could have a material adverse effect on Gold Fields operating results or financial condition. See Quantitative and Qualitative Disclosures About Market Risk Foreign Currency Sensitivity.

Political or economic instability in South Africa or regionally may have an adverse effect on Gold Fields operations and profits.

Gold Fields is incorporated and owns significant operations in South Africa. As a result, political and economic risks relating to South Africa could affect an investment in Gold Fields. Large parts of the South African population do not have access to adequate education, health care, housing and other services, including water and electricity. Government policies aimed at alleviating and redressing the disadvantages suffered by the majority of citizens under previous governments may have an adverse impact on Gold Fields operations and profits. In recent years, South Africa has experienced high levels of crime and unemployment. These problems have impeded fixed inward investment into South Africa and have prompted emigration of skilled workers. As a result, Gold Fields may have difficulties attracting and retaining qualified employees.

Recently, the South African economy has been growing at a relatively slow rate, inflation and unemployment have been high by comparison with developed countries, and foreign reserves have been relatively low. GDP (based on

1990 prices given by Statistics South Africa) growth was 3.4% for 2000, 2.7% for 2001, 3.6% for 2002 and 1.9% for 2003. Corresponding inflation rates were 5.3% in 2000, 5.7% in 2001, 9.2% in 2002 and

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5.9% in 2003, while corresponding unemployment rates were 26.7%, 26.9%, 30.5% and 28.4% as of December 31, 2000, 2001, 2002 and 2003, respectively. Gross foreign exchange reserves stood at \$13.0 billion as of October 31, 2004. The depreciation of the Rand in 1997 and 1998 resulted in an increase in the South African bank prime lending rate, which peaked at approximately 25.5% during 1998, although rates have since decreased substantially. On October 29, 2004, the rate was 11%. Consequently, Gold Fields faces a high cost of capital should it need to borrow in South Africa.

In the late 1980s and early 1990s, inflation in South Africa reached record highs. This increase in inflation resulted in considerable year over year increases in operational costs. In recent years, the inflation rate has decreased to single-digit figures. A return to significant inflation in South Africa, without a concurrent devaluation of the Rand or an increase in the price of gold, could have a material adverse effect on Gold Fields' operating results and financial condition.

There has been regional political and economic instability in the countries surrounding South Africa. Any similar political or economic instability in South Africa could have a negative impact on Gold Fields' ability to manage and operate its South African operations.

Political or economic instability in Ghana may have an adverse effect on Gold Fields' operations and profits.

A significant portion of Gold Fields' production takes place in Ghana at the Tarkwa and Damang mines. As a result, political and economic risks relating to Ghana could affect an investment in Gold Fields.

Ghana has had periods of political instability, and could be subject to instability again in the future. Presidential and parliamentary elections were conducted under the present Ghanaian constitution in 1992, 1996 and 2000. The 2000 elections resulted in the principal opposition party winning the elections and forming the present government. Since the present government came into power it has passed legislation imposing a tax and import duty which have affected the mining industry. The Ghana Chamber of Mines, of which Gold Fields Ghana Limited and Abosso Goldfields Limited, subsidiaries of Gold Fields, are members, has expressed its concern to the government that these legislative measures have eroded the competitiveness of the fiscal regime affecting mining companies in Ghana. The current government or a future government might adopt additional changes to policies in the future, which could: (1) modify the regulatory or fiscal regime governing mining companies in Ghana, such as increasing the proportion of foreign currency earnings that mining companies are required to repatriate to Ghana or (2) otherwise make investments or foreign-owned operations in Ghana less attractive. Any departure from current policies by the government of Ghana could have a material adverse effect on Gold Fields' business, operating results and financial condition.

In addition, it is possible that in the future Ghana will experience adverse economic conditions or disruptions which may negatively impact Gold Fields' Ghana operations.

Gold Fields' financial flexibility could be materially constrained by South African exchange control regulations.

South Africa's exchange control regulations restrict the export of capital from South Africa, the Republic of Namibia, and the Kingdoms of Lesotho and Swaziland, known collectively as the Common Monetary Area. Transactions between South African residents (including companies) and non-residents of the Common Monetary Area are subject to exchange controls enforced by the South African Reserve Bank, or SARB. As a result, Gold Fields' ability to raise and deploy capital outside the Common Monetary Area is restricted.

Under South African exchange control regulations, Gold Fields must obtain approval from the SARB regarding any capital raising involving a currency other than the Rand. For example, in connection with its approval, it is possible that the SARB may impose conditions on Gold Fields' use of the proceeds of any such capital raising, such as limits on

Gold Fields' ability to retain the proceeds of the capital raising outside South Africa or requirements that Gold Fields seek further SARB approval prior to applying any such funds to a specific use. These restrictions could hinder Gold Fields' financial and strategic flexibility, particularly its ability to fund acquisitions, capital expenditures and exploration projects outside South Africa. See

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Information on the Company Regulatory and Environmental Matters South Africa Exchange Controls.

An acquisition of shares in or assets of a South African company by a non-South African purchaser that is subject to exchange control regulations may not be granted regulatory approval.

In some circumstances, potential acquisitions of shares in or assets of South African companies by non-South African resident purchasers are subject to review by the SARB pursuant to South African exchange control regulations. In 2000, the SARB refused to approve an acquisition of Gold Fields by Franco-Nevada Mining Corporation Limited, a Canadian mining company. The SARB may refuse to approve similar proposed acquisitions of Gold Fields in the future. As a result, Gold Fields' management may be limited in its ability to consider strategic options and Gold Fields' shareholders may not be able to realize the premium over the current trading price of Gold Fields' ordinary shares which they might otherwise receive upon such an acquisition. See Information on the Company Regulatory and Environmental Matters South Africa Exchange Controls.

Gold Fields' operations and financial condition may be adversely affected by labor disputes or changes in South African, Ghanaian or Australian labor laws.

As of June 30, 2004, approximately 79% of Gold Fields' employees belonged to unions. Accordingly, Gold Fields is at risk of having its production stopped for indefinite periods due to strikes called by unions and other labor disputes. In South Africa, in addition to strikes, on occasion Gold Fields experiences work stoppages based on national trade union stay away days regardless of the state of its relations with its workforce. Significant labor disruptions at any of Gold Fields' operations could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Gold Fields' production may also be materially affected by relatively new labor laws. Since 1995, South African laws relating to labor have changed significantly in ways that affect Gold Fields' operations. In particular, laws enacted since then that provide for mandatory compensation in the event of termination of employment for operational reasons and that impose large monetary penalties for non-compliance with the administrative and the reporting requirements in respect of affirmative action policies, could result in significant costs to Gold Fields. There may continue to be significant and adverse changes in labor law in South Africa over the next several years.

Ghanaian law contains broad provisions requiring mining companies to recruit and train Ghanaian personnel and to use the services of Ghanaian companies.

The Labour Relations Reform Act of Western Australia was passed by Parliament in July 2002. This law reduces the availability of state workplace agreements and is designed to promote collective bargaining and union access to the workplace. This law could strengthen the role of unions in Western Australia's mining industry, which could have a material adverse effect on labor costs at Gold Fields' mining operations in Australia and, accordingly, on Gold Fields' business, operating results and financial condition. See Directors, Senior Management and Employees Employees Labor Relations Australia.

Any expansion of these provisions or new labor legislation which increases labor costs in Ghana could have a material adverse effect on Gold Fields' mining operations in Ghana and, accordingly, on Gold Fields' business, operating results and financial condition.

Gold Fields may suffer adverse consequences as a result of its reliance on outside contractors to conduct its operations in Ghana and Australia.

A significant portion of Gold Fields' operations at the Damang mine in Ghana and in Australia are currently conducted by outside contractors. As a result, Gold Fields' operations at those sites are subject to a number of risks, some of which are outside Gold Fields' control, including:

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negotiating agreements with contractors on acceptable terms;

the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;

reduced control over those aspects of operations which are the responsibility of the contractor;

failure of a contractor to perform under its agreement with Gold Fields;

interruption of operations in the event that a contractor ceases its business due to insolvency or other unforeseen events;

failure of a contractor to comply with applicable legal and regulatory requirements, to the extent it is responsible for such compliance; and

problems of a contractor with managing its workforce, labor unrest or other employment issues.

In addition, Gold Fields may incur liability to third parties as a result of the actions of its contractors. The occurrence of one or more of these risks could have a material adverse effect on Gold Fields' business, results of operations and financial condition. See Directors, Senior Management and Employees Labor Relations Ghana and Australia.

Gold Fields' South African operations may be adversely affected by increased labor costs at its mining operations in South Africa.

Wages and related labor costs account for approximately 37% of Gold Fields' total production costs in fiscal 2004. Accordingly, Gold Fields' costs may be materially affected by increases in wages and related labor costs, particularly with respect to Gold Fields' South African employees, who are unionized. Negotiations with South African unions in 2003 resulted in agreements on above-inflation wage increases required to be implemented through July 2005. If Gold Fields is unable to increase production levels or implement cost cutting measures to offset these increased wages and labor costs, these costs could have a material adverse effect on Gold Fields' mining operations in South Africa and, accordingly, on Gold Fields' business, operating results and financial condition. See Directors, Senior Management and Employees Employees Labor Relations South Africa.

HIV/AIDS poses risks to Gold Fields in terms of lost productivity and increased costs.

The incidence of HIV/AIDS in South Africa, which is forecast to increase over the next decade, poses risks to Gold Fields in terms of potentially reduced productivity and increased medical and other costs. Gold Fields' current estimate of the potential impact of HIV/AIDS on its operations and financial condition is based on a variety of existing data and certain assumptions, including the incidence of HIV infection among its employees, the progressive impact of HIV/AIDS on infected employees' health, and the medical and other costs associated with the disease, most of which involve factors beyond Gold Fields' control. Should Gold Fields' actual experience significantly differ from the assumptions on which its current estimate is based, the actual impact of HIV/AIDS on its business, operating results and financial condition could be significantly worse than Gold Fields expects. See Directors, Senior Management and Employees Employees Health and Safety AIDS Program.

Gold Fields' operations in South Africa are subject to environmental regulations which could impose significant costs and burdens.

Gold Fields' South African operations are subject to various environmental laws and regulations including, for example, those relating to waste treatment, emissions and disposal, and must comply with permits or standards

governing, among other things, tailings dams and waste disposal areas, water consumption, air emissions and water discharges. Gold Fields may, in the future, incur significant costs to comply with the

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South African environmental requirements imposed under existing or new legislation, regulations or permit requirements or to comply with changes in existing laws and regulations or the manner in which they are applied. Also, Gold Fields may be subject to litigation and other costs as a result of environmental rights granted to individuals under South Africa's Constitution or other sources of rights. These costs could have a material adverse effect on Gold Fields' business, operating results and financial condition.

South African mining companies are required by law to undertake rehabilitation works as part of their ongoing operations. In addition, during the operational life of their mines, they must provide for the cost of mine closure and post-closure rehabilitation and monitoring once mining operations cease. Gold Fields funds these environmental rehabilitation costs by making contributions into an environmental trust fund, with amounts approved by the authorities. As of October 29, 2004, Gold Fields had contributed a total of approximately Rand 340.5 million, including accrued interest, to the fund. Changes in legislation or regulations (or the approach to enforcement of them) or other unforeseen circumstances may materially and adversely affect Gold Fields' future environmental expenditures or the level and timing of Gold Fields' provisioning for these expenditures. See Information on the Company Regulatory and Environmental Matters - South Africa - Environmental.

Gold Fields' operations in South Africa are subject to health and safety regulations which could impose significant costs and burdens.

The present Mine Health and Safety Act 1996, or the Mine Health and Safety Act, came into effect in January 1997. The principal objective of the Mine Health and Safety Act is to improve health and safety at South African mines and to this end, the Mine Health and Safety Act imposes various duties on Gold Fields at its mines, and grants the authorities broad powers to, among other things, close unsafe mines and order corrective action relating to health and safety matters. Exercising her authority under the Mine Health and Safety Act, the Minister of Minerals and Energy stopped production at Beatrix Shaft Nos. 1 and 2 for 10 days in May 2001 and required Gold Fields to implement various safety measures at the mine, following a methane gas explosion in which 13 people lost their lives and which was the second such explosion since May 2000. In the event of any future accidents at Gold Fields' mines, regulatory authorities could take similar steps.

The Occupational Diseases in Mines and Works Act 78 of 1973, or the Occupational Diseases Act, governs the payment of compensation and medical costs related to certain illnesses contracted by persons employed in mines or at sites where activities ancillary to mining are conducted. Occupational health care services are made available by Gold Fields to employees from its existing facilities. Pursuant to changes in the Occupational Diseases Act, Gold Fields may experience an increase in the cost of these services, which could have an adverse effect on Gold Fields' business, operating results and financial condition. This increased cost, should it transpire, is currently indeterminate. See Information on the Company Regulatory and Environmental Matters - South Africa - Health and Safety.

Gold Fields' mineral rights in South Africa have become subject to new legislation which could impose significant costs and burdens.

The New Minerals Act. The Mineral and Petroleum Resources Development Act 2002, or the New Minerals Act, came into effect on May 1, 2004.

Among other things, the New Minerals Act: (1) vests the right to prospect and mine in the state without the automatic payment of compensation, (2) makes provision for a transitional period for the phasing out of privately held mineral rights, prospecting permits and mining authorizations held under the old regime and (3) requires that new applications be made in respect of those rights and new rights to be granted pursuant to the New Minerals Act. Consistent with international practice, the New Minerals Act provides that a mining or prospecting right granted under the New Minerals Act could be cancelled if the mineral to which the right relates is not mined at an optimal rate. There is no

guarantee that Gold Fields will be able to successfully

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apply for any or all of its existing mining rights under the New Minerals Act or that the terms on which they will be granted will not be significantly less favorable to Gold Fields than the current terms. The requirements of the New Minerals Act could have a material adverse effect on Gold Fields' mining and exploration activities in South Africa and, as a result, Gold Fields' business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters - South Africa - Mineral Rights - The New Minerals Act.

The Mining Titles Registration Amendment Act, or the Mining Titles Act, came into force on May 1, 2004. The Mining Titles Act provides for the registration of rights granted under the New Minerals Act. The Mining Titles Act repeals certain sections of the former legislation dealing with the registration of mineral rights, subject to the transitional provisions of the New Minerals Act. Until rights held under the previous regime are converted to rights under the New Minerals Act, rights held under the previous regime that become subject to a change in ownership during the transition period will not be able to be registered under the name of the new owner.

The New Minerals Act contains a provision requiring the Minister of Minerals and Energy, or the Minister, within six months of the relevant provision becoming operational, to develop a broad-based socio-economic empowerment charter for effecting entry of historically disadvantaged South Africans, or HDSAs, into the mining industry. The South African Government appointed a task team which included representatives from mining companies, including Gold Fields, to develop a charter. On October 11, 2002, the Minister and representatives of certain mining companies and the National Union of Mineworkers signed a charter that reflects the consultation process called for by the New Minerals Act. The Mining Charter became effective on May 1, 2004.

The charter's stated objectives are to:

- promote equitable access to South Africa's mineral resources for all the people of South Africa;
- substantially and meaningfully expand opportunities for HDSAs, including women, to enter the mining and minerals industry and to benefit from the exploitation of South Africa's mineral resources;
- utilize the existing skills base for the empowerment of HDSAs;
- expand the skills base of HDSAs in order to serve the community;
- promote employment and advance the social and economic welfare of mining communities and areas supplying mining labor; and
- promote beneficiation of South Africa's mineral commodities beyond mining and processing, including the production of consumer products.

To achieve these objectives, the charter requires that mining companies achieve a 15% HDSA ownership of mining assets within five years and a 26% HDSA ownership of mining assets within 10 years by each mining company. Under the charter, the mining industry as a whole agrees to assist HDSA companies in securing finance to fund participation in an amount of Rand 100 billion over the first five years. Beyond the Rand 100 billion commitment, HDSA participation will be increased on a willing seller-willing buyer basis, at fair market value, where the mining companies are not at risk. In addition, the charter requires, among other things, that mining companies spell out plans for achieving employment equity at management level with a view to achieving a baseline of 40% HDSA participation in management and achieving a baseline of 10% participation by women in the mining industry, in each case within five years. When considering applications for the conversion of existing licenses, the government will take a scorecard approach, evaluating the

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commitments of stakeholders to the different facets of promoting the objectives of the charter. See [Business Regulatory and Environmental Matters](#) [South Africa](#) [Mineral Rights](#) [The New Minerals Act](#).

In order to comply with the terms of the charter, Gold Fields has adjusted the ownership structure of its South African mining assets. On March 8, 2004, the shareholders of Gold Fields approved a series of transactions, referred to in this discussion as the Mvelaphanda Transaction, involving the acquisition by Mvelaphanda Resources Limited of a 15% beneficial interest in the South African gold mining assets of Gold Fields for cash consideration of R4,139 million.

See [Operating and Financial Review and Prospects](#) [Overview](#) [Mvelaphanda Transaction](#). The Mvelaphanda Transaction is intended to meet the charter's requirement that mining companies achieve a 15% HDSA ownership within five years of the charter coming into effect. See [Information on the Company](#) [Regulatory and Environmental Matters](#) [South Africa](#) [Mineral Rights](#) [The New Minerals Act](#). There is no guarantee, however, that the Mvelaphanda Transaction will not have a negative effect on the value of Gold Fields' ordinary shares. In addition, any further adjustment to the ownership structure of Gold Fields' South African mining assets in order to meet the mining charter's 10 year HDSA ownership requirement of 26% could have a material adverse effect on the value of Gold Fields' ordinary shares and failing to comply with the charter's requirements could subject Gold Fields to negative consequences, the scope of which has not yet been fully determined. Gold Fields may also incur expenses to give effect to the charter's other requirements, and may need to incur additional indebtedness in order to comply with the industry-wide commitment to assist HDSAs in securing Rand 100 billion of financing during the first five years of the mining charter's effectiveness. Moreover, there is no guarantee that any steps Gold Fields has already taken or might take in the future will ensure the successful conversion of any or all of its existing mining rights or for the grant of new mining rights or that the terms of any conversion or grant would not be significantly less favorable to Gold Fields than the terms of its current rights.

The Royalty Bill. On March 20, 2003 the draft Mineral and Petroleum Royalty Bill, or the Royalty Bill, was released for public comment. The South African National Treasury subsequently missed an August 1, 2003 deadline for submitting a revised draft to the South African Parliament and, as yet, no revised draft has been submitted or published.

The Royalty Bill proposes to impose a 3% revenue based royalty on the South African gold mining sector payable to the South African government. Under the terms of the proposed Royalty Bill, the royalty is to take effect when companies convert to new order mining rights in accordance with the New Minerals Act, although the Minister has indicated that the royalty is not expected to take effect until the transitional period for the conversion of mining rights under the New Minerals Act expires. The Minister of Finance in his Budget Speech in February 2004 indicated that the royalty will be based on revenues and will take effect in 2009. There is uncertainty as to what further amendments will be made to the Royalty Bill. If adopted, in either its current or a revised form, the Royalty Bill could have a negative impact on Gold Fields' South African operations and therefore an adverse effect on its business, operating results and financial condition. See [Information on the Company](#) [Regulatory and Environmental Matters](#) [South Africa](#) [Mineral Rights](#) [The Royalty Bill](#).

Gold Fields' land and mineral rights in South Africa could be subject to land restitution claims which could impose significant costs and burdens.

Gold Fields' privately held land and mineral rights could be subject to land restitution claims under the Restitution of Land Rights Act 1994, or the Land Claims Act. Under this Act, any person who was dispossessed of rights in land in South Africa as a result of past racially discriminatory laws or practices without payment of just and equitable compensation is granted certain remedies, including the restoration of the land. Under the Land Claims Act, persons entitled to institute a land claim were required to lodge their claims by December 31, 1998. Gold Fields has not been notified of any land claims, but any claims of which it is notified in the future could have a material adverse effect on Gold Fields' right to the properties to which

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the claims relate and, as a result, on Gold Fields' business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters South Africa Land Claims.

The Restitution of Land Rights Amendment Act, or the Amendment Act, became law on February 4, 2004. Under the Land Claims Act, the Minister for Agriculture and Land Affairs, or the Land Minister, may not acquire ownership of land for restitution purposes without a court order unless an agreement has been reached between the affected parties. The Amendment Act, however, entitles the Land Minister to acquire ownership of land by way of expropriation either for claimants who do not qualify for restitution, or, in respect of land as to which no claim has been lodged but the acquisition of which is directly related to or affected by a claim, the acquisition of which would promote restitution to those entitled or would encourage alternative relief to those not entitled. Expropriation would be subject to provisions of legislation and the South African Constitution which provides, in general, for just and equitable compensation. There is, however, no guarantee that any of Gold Fields' privately held land rights could not become subject to acquisition by the state without Gold Fields' agreement, or that Gold Fields would be adequately compensated for the loss of its land rights, which could have a negative impact on Gold Fields' South African operations and therefore an adverse effect on its business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters South Africa Land Claims.

Gold Fields' operations in Ghana are subject to environmental regulations which could impose significant costs and burdens.

Gold Fields' Ghana operation is subject to extensive environmental laws and regulations. The Ghanaian environmental protection laws require, among other things, that Gold Fields register with the Ghanaian environmental authorities, and obtain environmental permits and certificates for the Ghana operation.

Ghanaian mining companies are required by law to rehabilitate land disturbed as a result of their mining operations pursuant to an environmental reclamation plan agreed with the Ghanaian environmental authorities. Gold Fields funds these environmental rehabilitation costs in part by posting a reclamation bond to secure estimated costs of rehabilitation. Changes in the required method of calculation for these bonds or an unforeseen circumstance which produces unexpected costs may materially and adversely affect Gold Fields' future environmental expenditures. See Information on the Company Regulatory and Environmental Matters Ghana Environmental.

Gold Fields' operations in Ghana are subject to health and safety regulations which could impose significant costs and burdens.

The Ghanaian health and safety regulations impose statutory duties on an owner of a mine to, among other things, take steps to ensure that the mine is managed and worked in a manner which provides for the safety and proper discipline of the mine workers. The regulations prescribe the measures to be taken to ensure the safety and health of the mine workers. Additionally, Gold Fields is required under the terms of its mining leases to comply with the reasonable instructions of the relevant authorities for securing the health and safety of persons working in or connected with the mine. A violation of the health and safety regulations or a failure to comply with the reasonable instructions of the relevant authorities could lead to, among other things, a temporary shut down of all or a portion of the mine, a loss of the right to mine or the imposition of costly compliance procedures and, in the case of a violation of the regulations relating to health and safety, constitutes an offense under Ghanaian law. If Ghanaian health and safety authorities require Gold Fields to shut down all or a portion of its mines or to implement costly compliance measures, whether pursuant to existing or new health and safety laws and regulations, such measures could have a material adverse effect on Gold Fields' business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters Ghana Health and Safety.

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Gold Fields, as the holder of the mining lease, has potential liability arising from injuries to, or deaths of, workers, including, in some cases, workers employed by its contractors. In Ghana, statutory workers' compensation is not the exclusive means for workers to claim compensation. Gold Fields' insurance for health and safety claims or the relevant workers' compensation arrangements may not be adequate to meet the costs which may arise upon any future health and safety claims.

On September 12, 2003, the National Health Insurance Act, 2003 (Act 650) came into effect. The act requires every person resident in Ghana to belong to either a public or private health insurance scheme. To fund the National Health Insurance Fund, the act imposes a levy of 2.5% on goods and services produced or provided in, or imported into, Ghana. The provisions of the act relating to the levy came into effect on August 1, 2004. The levy could have an adverse impact on Gold Fields' Ghanaian operations and thus an adverse effect on its business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters Ghana Health and Safety.

Gold Fields' mineral rights in Ghana are subject to regulations which could impose significant costs and burdens.

In Ghana, the ownership of land on which there are mineral deposits is separate from the ownership of the minerals. All minerals in their natural state in or upon any land or water are, under Ghanaian law, the property of Ghana and vested in the President on behalf of the people of Ghana. Gold Fields' mining leases for the Tarkwa property have not yet been ratified by the Ghanaian parliament, as required by law. To the extent that failure to ratify these leases adversely affects their validity, there may be a material adverse effect on Gold Fields' business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters Ghana Mineral Rights.

Gold Fields' operations in Australia are subject to environmental regulations which could impose significant costs and burdens.

Gold Fields' Australian operations are subject to various laws and regulations relating to the protection of the environment, which are similar in scope to those of South Africa and Ghana. Gold Fields may, in the future, incur significant costs to comply with the Australian environmental requirements imposed under existing or new legislation, regulations or permit requirements or to comply with changes in existing laws and regulations or the manner in which they are applied. These costs may have a material adverse effect on Gold Fields' business, operating results and financial condition.

Australian mining companies are required by law to undertake rehabilitation works as part of their ongoing operation. Gold Fields makes provisions in its accounts for the estimated cost of environmental rehabilitation for its Australian mining properties. Gold Fields guarantees its environmental obligations by providing the Western Australian Government with unconditional bank-guaranteed performance bonds to secure the estimated costs. These bonds do not cover remediation for events that were unforeseen at the time the bond was taken. Changes in the required method of calculation for these bond amounts or an unforeseen circumstance which produces unexpected costs may materially and adversely affect future environmental expenditures. See Information on the Company Regulatory and Environmental Matters Australia Environmental.

Gold Fields' operations in Australia are subject to health and safety regulations which could impose significant costs and burdens.

Western Australian health and safety laws impose a duty on a mine owner to provide and maintain a working environment which is safe for mine workers. The regulations prescribe specific measures to be taken and provide for inspectors to review the work site for hazards and violations of the health and safety laws. A violation of the health and safety laws or a failure to comply with the instructions of the relevant health and

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safety authorities could lead to, among other things, a temporary shutdown of all or a portion of the mine, a loss of the right to mine or the imposition of costly compliance procedures. If health and safety authorities require Gold Fields to shut down all or a portion of the mine or to implement costly compliance measures, whether pursuant to existing or new health and safety laws and regulations, such measures could have a material adverse effect on Gold Fields business, operating results and financial condition. A bill to reform laws with respect to health and safety in Western Australia's mining industry was introduced in the Western Australia parliament in August 2004 but has not, as yet, been passed. The proposed reforms will increase penalties for breaches of the health and safety law, including imprisonment of persons found liable for the breaches and introduce new offenses, including gross negligence causing death or serious injury. In addition, there will be broader powers for inspectors to impose improvement or prohibition notices on machinery and work practices, and a new duty of care imposed on employers with respect to residential accommodation supplied in connection with employment. If these changes are enacted, Gold Fields' exposure to prosecution will be increased, as will be the costs of health and safety compliance of Gold Fields' mining operations in Australia. See Information on the Company Regulatory and Environmental Matters Australia Health and Safety.

Gold Fields' tenements in Australia are subject to native title claims and include Aboriginal heritage sites which could impose significant costs and burdens.

Certain of Gold Fields' tenements are subject to native title claims, and there are Aboriginal heritage sites located on certain of Gold Fields' tenements. Native title and Aboriginal legislation protects the rights of Aboriginals in relation to the land in certain circumstances. Other tenements may become subject to native title claims if Gold Fields seeks to expand or otherwise change its interest in rights to those tenements. Native title claims could require costly negotiations with the claimants or could affect Gold Fields' access to or use of its tenements, and, as a result, have a material adverse effect on Gold Fields' business, operating results and financial condition.

Aboriginal heritage sites relate to distinct areas of land which have either ongoing ethnographic or archaeological or historic significance. Aboriginal heritage sites have been identified with respect to portions of some of Gold Fields' Australian mining tenements. Additional Aboriginal heritage sites may be identified on the same or additional tenements. Gold Fields may, in the future, incur significant costs as a result of changes in the interpretation of, or new laws regarding, native title and Aboriginal heritage, which may result in a material adverse effect on Gold Fields' business, operating results and financial conditions. See Information on the Company Regulatory and Environmental Matters Australia Land Claims.

Investors in the United States may have difficulty bringing actions, and enforcing judgments, against Gold Fields, its directors and its executive officers based on the civil liabilities provisions of the federal securities laws or other laws of the United States or any state thereof.

Gold Fields is incorporated in South Africa. The majority of Gold Fields' directors and executive officers (and certain experts named herein) reside outside of the United States. Substantially all of the assets of these persons and substantially all of the assets of Gold Fields are located outside the United States. As a result, it may not be possible for investors to enforce against these persons or Gold Fields a judgment obtained in a United States court predicated upon the civil liability provisions of the federal securities or other laws of the United States or any state thereof. A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts provided that:

the court which pronounced the judgment had jurisdiction to entertain the case according to the principles recognized by South African law with reference to the jurisdiction of foreign courts;

the judgment is final and conclusive (that is, it cannot be altered by the court which pronounced it);

the judgment has not lapsed;

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the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice which require that the documents initiating the United States proceeding were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal;

the judgment was not obtained by fraudulent means;

the judgment does not involve the enforcement of a penal or revenue law; and

the enforcement of the judgment is not otherwise precluded by the provisions of the Protection of Businesses Act 99 of 1978, as amended, of the Republic of South Africa.

It is the policy of South African courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the South African legal system, that does not mean that such awards are necessarily contrary to public policy. Whether a judgment was contrary to public policy depends on the facts of each case. Exorbitant, unconscionable, or excessive awards will generally be contrary to public policy. South African courts cannot enter into the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law. It is doubtful whether an original action based on United States federal securities laws may be brought before South African courts. A plaintiff who is not resident in South Africa may be required to provide security for costs in the event of proceedings being initiated in South Africa. Furthermore, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for the purpose of use in South Africa.

Gold Fields is a named defendant in two lawsuits filed in the United States alleging human rights violations during the apartheid era which could impose significant costs and burdens.

On May 6, 2003, a lawsuit was filed by Zalumi Singleton Mtwesi against Gold Fields in the State of New York. Mr. Mtwesi alleges that during the apartheid era in South Africa he was subjected to human rights violations while employed by Kloof Gold Mining Company Limited, which at the time was a subsidiary of a predecessor of Gold Fields. Mr. Mtwesi filed the lawsuit on behalf of himself and as representative of all other victims and all other persons similarly situated. Mr. Mtwesi and the plaintiffs class have demanded an order certifying the plaintiffs class and compensatory damages from Gold Fields in the amount of \$7 billion. A complaint has not been served on Gold Fields. Should the lawsuit proceed, defending it may be costly and time consuming and there can be no assurance that Gold Fields will be successful. If Gold Fields is unsuccessful in defending the lawsuit considerable compensatory damages or other penalties may be imposed on Gold Fields which may have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Legal Proceedings.

On July 9, 2004, a lawsuit was filed in a federal district court in New York by six individuals against Gold Fields and a number of other defendants including IBM Corporation, Anglo American PLC, UBS AG, Union Bank of Switzerland, Fluor Corporation, Strategic Minerals Corporation, the Republic of South Africa and President Thabo Mbeki. The lawsuit alleges, among other things, that one of the plaintiffs was a victim of apartheid by virtue of acts committed against him at facilities in Randfontein, South Africa including those allegedly owned by one or more predecessors of Gold Fields. The suit further alleges that Gold Fields is liable for various wrongful acts and property expropriation, as well as violations of international law, allegedly committed during the apartheid era in South Africa. The plaintiffs are jointly and severally seeking, on each of two counts, unspecified compensatory damages and punitive damages of \$10 billion with interest and costs against the various defendants. A complaint has not been served on Gold Fields. Should the lawsuit proceed,

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defending it may be costly and time consuming and there can be no assurance that Gold Fields will be successful. If Gold Fields is unsuccessful in defending the lawsuit, considerable compensation damages or other penalties may be imposed on Gold Fields, which may have a material adverse effect on Gold Fields' business, operating results and financial condition. See Information on the Company Legal Proceedings.

Gold Fields is unable to issue any ordinary shares for cash on a non-pre-emptive basis without shareholder approval.

At the annual general meeting of Gold Fields held on November 16, 2004, the proposed resolution giving the directors a general authority to issue shares for cash was not passed by the requisite majority. Under the listing requirements of the JSE Securities Exchange South Africa and the South African Companies Act, 75% of the votes cast by shareholders present or represented by proxy is required for the passing of a resolution providing such general authority. As a result, the Gold Fields' board is prevented from allotting and issuing any ordinary shares for cash without first seeking shareholder approval unless the shares are offered to all existing shareholders on a pre-emptive basis. This requirement could affect Gold Fields' ability to raise capital for specific transactions or for general corporate purposes, which could have an adverse effect on its business.

Because the principal trading market for Gold Fields' ordinary shares is the JSE Securities Exchange South Africa, investors face liquidity risk in the market for Gold Fields' ordinary shares.

The principal trading market for Gold Fields' ordinary shares is the JSE Securities Exchange South Africa, or the JSE. Historically, trading volumes and liquidity of shares listed on the JSE have been low in comparison with other major markets. The ability of a holder to sell a substantial number of Gold Fields' ordinary shares on the JSE in a timely manner, especially in a large block trade, may be restricted by this limited liquidity. See The Offer and Listing The JSE Securities Exchange South Africa.

Gold Fields may not pay dividends or make similar payments to its shareholders in the future.

Gold Fields pays cash dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available and Gold Fields' capital expenditures and other cash requirements existing at the time. Under South African law, Gold Fields will be entitled to pay a dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the South African Companies Act and Gold Fields' Articles of Association. Cash dividends or other similar payments may not be paid in the future.

Gold Fields' non-South African shareholders face additional investment risk from currency exchange rate fluctuations since any dividends will be paid in Rand.

Dividends or distributions with respect to Gold Fields' ordinary shares have historically been paid in Rand. The U.S. dollar or other currency equivalent of any dividends or distributions with respect to Gold Fields' ordinary shares will be adversely affected by potential future reductions in the value of the Rand against the U.S. dollar or other currencies. In the future, it is possible that there will be changes in South African exchange control regulations, such that dividends paid out of trading profits will no longer be freely transferable outside South Africa to shareholders who are not residents of the Common Monetary Area. See Additional Information South African Exchange Control Limitations Affecting Security Holders.

Gold Fields' ordinary shares are subject to dilution upon the exercise of Gold Fields' outstanding options.

As of October 29, 2004, Gold Fields had an aggregate of 1,000,000,000 ordinary shares authorized to be issued and as of that date an aggregate of 491,831,765 ordinary shares were issued and outstanding. Gold Fields has two securities

option plans which are authorized to grant options in an amount of up to an aggregate of 25,071,013 ordinary shares. Gold Fields had outstanding as of October 29, 2004 options to purchase a total of 9,334,683 ordinary shares at exercise prices of between Rand 13.55 and Rand 154.65 that expire between June 17, 2005 and October 22, 2011 under the GF Management Incentive Scheme and 313,000 ordinary shares at exercise prices of between Rand 43.70 and 110.03 that expire between October 31, 2006 and November 27, 2008 under the GF Non-Executive Director Share Plan. Shareholders' equity interests in Gold Fields will be diluted to the extent of future exercises of these options and any additional options. See Directors, Senior Management and Employees The GF Management Incentive Scheme , Directors, Senior Management and Employees The GF Non-Executive Director Share Plan.

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As part of the Mvelaphanda Transaction, Mvela Gold is obliged to subscribe for 15% of the share capital of GFIMSA upon repayment of the Mvela Loan. Under the Subscription and Share Exchange Agreement entered into in connection with the Mvelaphanda Transaction for a period of one year after the subscription of the GFIMSA shares each of Gold Fields and Mvela Gold will be entitled to require the exchange of Mvela Gold's GFIMSA shares for ordinary shares of Gold Fields of an equivalent value, but numbering not less than 45,000,000 and not more than 55,000,000 Gold Fields ordinary shares, adjusted as necessary to reflect changes to Gold Fields' capital structure and certain corporate activities of Gold Fields. Shareholders' equity interests in Gold Fields will be diluted if Gold Fields or Mvela Gold requires the exchange of GFIMSA shares for Gold Fields shares. See Operating and Financial Review and Prospects Mvelaphanda Transaction.

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Item 4: INFORMATION ON THE COMPANY

Introduction

Gold Fields is a significant producer of gold and major holder of gold reserves in South Africa, Ghana and Australia. Gold Fields is primarily involved in underground and surface gold mining and related activities, including exploration, extraction, processing and smelting, and also has strategic interests in platinum group metals exploration. Gold Fields is currently the third largest gold producer in South Africa and one of the largest gold producers in the world on the basis of annual production.

The majority of Gold Fields' operations, based on gold production, are located in South Africa. It also owns the St. Ives and Agnew gold mining operations in Australia and has a 71.1% interest in each of the Tarkwa gold mine and the Damang gold mine in Ghana. In addition, Gold Fields has gold and other precious metal exploration activities and interests in Africa, Australasia, China, Europe, North America and South America. Gold Fields owns 100% of the Arctic Platinum Project, or APP, in northern Finland, which is evaluating the economic potential of deposits of open pit and underground platinum group metal mineralization. APP was formerly a joint venture with Outokumpu Oy, or Outokumpu. On September 11, 2003, Gold Fields acquired Outokumpu's 49% interest in APP.

Gold Fields also has a right to acquire 92% of the voting shares (which is effectively 80.7% of the economic interest) of Sociedad Minera La Cima S.A., the owner of the Cerro Corona Project in Peru which is evaluating the economic potential of deposits of open pit gold and copper mineralization.

Gold Fields' operations include:

Driefontein Operation. This operation consists of seven shaft systems and three gold plants in South Africa's Gauteng Province near Carletonville. Driefontein produced 1.1 million ounces of gold during the year ended June 30, 2004, accounting for approximately 27% of attributable gold production for Gold Fields in fiscal 2004. The operation employed approximately 17,900 people including contractors as of June 30, 2004 including a limited number working for outside contractors at the site. The Driefontein operation includes both underground mining and surface rock dump processing.

Kloof Operation. This operation consists of five shaft systems and three gold plants in South Africa's Gauteng Province near Carletonville. Kloof produced 1.0 million ounces of gold during the year ended June 30, 2004, accounting for approximately 25% of attributable gold production for Gold Fields in fiscal 2004. The operation employed approximately 16,600 people including contractors as of June 30, 2004 including a limited number working for outside contractors at the site. The Kloof operation includes both underground mining and some surface rock dump processing.

Beatrix Operation. This operation, formerly known as the Free State Operation, was renamed Beatrix following the sale of the St. Helena gold mining operation to ARMGold/Harmony Freegold Joint Venture Company (Proprietary) Limited, or Freegold, on October 30, 2002. The operation consists of four shaft systems and two gold plants in South Africa's Free State Province near Welkom and Virginia. The Beatrix operation produced 0.6 million ounces of gold during the year ended June 30, 2004, accounting for approximately 15% of attributable gold production for Gold Fields in fiscal 2004. The operation employed approximately 12,200 people including contractors as of June 30, 2004 including a limited number working for outside contractors at the site. The Beatrix operation consists of both underground mining and some limited surface rock dump processing.

Ghana Operation. This operation consists of: (1) the Tarkwa mine, which comprises several open pit operations with two heap leach recovery facilities and a SAG mill and CIL plant that commenced

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continuous operations in November 2004 and (2) the Damang mine, which Gold Fields acquired in January 2002 and which consists of a number of open pit operations with a CIL plant. Both mines are located in southwestern Ghana, about 300 and 360 kilometers by road west of Accra, respectively. During the year ended June 30, 2004, the Ghana operation produced 0.9 million ounces of gold (of which 0.7 million ounces of gold were attributable to Gold Fields and the remainder to minority shareholders in the Ghana operation), accounting for approximately 15% of attributable gold production for Gold Fields in fiscal 2004. The operation had approximately 4,200 employees as of June 30, 2004, including those working for the outside contractor at the sites.

Australia Operation. Gold Fields purchased the St. Ives and Agnew gold mining operations from WMC Limited and WMC Resources Ltd (collectively, WMC) in November 2001. Both mines are located in the state of Western Australia, with St. Ives situated near Kambalda, straddling Lake Lefroy, and Agnew situated near Leinster. These two mines together produced 0.8 million ounces of gold, accounting for approximately 18% of attributable gold production for Gold Fields in fiscal 2004. St. Ives and Agnew had approximately 1,200 employees as of June 30, 2004, including those working for outside contractors at the sites. St. Ives and Agnew conduct both underground and surface operations. Prior to their acquisition by Gold Fields, St. Ives and Agnew were owned by WMC. Based on the figures reported by Gold Fields mining operations, as of June 30, 2004 Gold Fields had attributable proven and probable reserves of approximately 75.4 million ounces of gold. In the year ended June 30, 2004, Gold Fields processed 46.0 million tonnes of ore and produced 4.4 million ounces of gold, of which 4.2 million ounces were attributable to Gold Fields.

History

The company that is today Gold Fields was originally incorporated as East Driefontein Gold Mining Company Limited on May 3, 1968, and subsequently changed its name to Driefontein Consolidated Limited. The Gold Fields group holdings evolved through a series of transactions, principally in 1998 and 1999.

With effect from January 1, 1998, a company formed on November 21, 1997 and referred to in this discussion as Original Gold Fields, acquired substantially all of the gold mining assets and interests previously held by Gencor Limited, Gold Fields of South Africa Limited and New Wits Limited and certain other shareholders in the companies owning the assets and interests including:

- a 100% interest in Beatrix Mines Limited, or Beatrix, which in turn owned a 100% interest in Beatrix Mining Company Limited, or BMC, BMC owned the Beatrix mine;
- a 37.3% interest in Driefontein Consolidated Limited, which owned the Driefontein operation;
- a 100% interest in Kloof Gold Mining Company Limited, or Kloof, which owned the Kloof operation;
- a 54.2% interest in St. Helena Gold Mines Limited, or St. Helena, which owned the St. Helena and Oryx mines;
- a 100% interest in Gold Fields Guernsey Limited, or Gold Fields Guernsey, which indirectly owned a 70% interest in the Tarkwa mine (which was later increased to 71.1% due to the dilution of the other shareholders);
- a 100% interest in Orogen Holding (BVI) Limited, or Orogen; and
- various exploration and other rights and assets.

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The Driefontein, Kloof and Tarkwa interests were acquired from Gold Fields of South Africa Limited, while the Beatrix and St. Helena interests were originally acquired from Gencor Limited. New Wits Limited provided various mineral rights. Original Gold Fields then owned 100% of Driefontein Consolidated Limited.

With legal effect from January 1, 1999, Driefontein Consolidated Limited acquired Original Gold Fields (which was subsequently renamed GFL Mining Services Limited) in a merger. For accounting purposes, Original Gold Fields was fully consolidated with effect from June 1, 1999. Although for legal purposes Driefontein Consolidated Limited acquired Original Gold Fields, for accounting purposes Original Gold Fields was considered the acquiror because Original Gold Fields' shareholders obtained the larger interest in the enlarged company. Driefontein Consolidated Limited was renamed Gold Fields Limited on May 10, 1999, following the merger. For accounting purposes, the merger was treated as if it occurred on June 1, 1999.

In order to achieve greater operational and administrative efficiency within the Gold Fields group following the merger, the Gold Fields group structure was reorganized with effect from July 1, 1999 as follows:

GFL Mining Services Limited transferred its interests in Beatrix, St. Helena, Oryx and Kloof to Gold Fields; and

Gold Fields transferred the Driefontein mine as a going concern to a shelf company named Driefontein Consolidated (Proprietary) Limited, a wholly-owned subsidiary of Gold Fields.

With effect from July 1, 1999, Gold Fields also acquired the remaining 45.8% interest in St. Helena from St. Helena's minority shareholders. Subsequent to this acquisition, St. Helena acquired the Beatrix mine from BMC.

On November 30, 2001, Gold Fields acquired the St. Ives and Agnew gold mining operations from WMC.

On January 23, 2002, Gold Fields acquired a 71.1% interest in Abosso Goldfields Limited, or Abosso.

On October 30, 2002, Gold Fields sold the St. Helena gold mining operation to Freegold for gross consideration of Rand 120.0 million and a monthly 1% royalty payment to Gold Fields on the net revenues from gold sales from the St. Helena mine for a period of four years after closing. Subsequent to the sale, St. Helena was renamed Beatrix Mining Ventures Limited and the Free State Operation was renamed the Beatrix Operation.

With effect from February 23, 2004, as part of an internal reorganization of the Gold Fields group in connection with the transaction with Mvelaphanda Resources Limited, or Mvela Resources, described below, Gold Fields transferred its South African gold mining assets, including the Beatrix operation, the Driefontein operation and the Kloof operation as going concerns to GFI Mining South Africa (Proprietary) Limited, or GFIMSA, a wholly owned subsidiary of Gold Fields.

On March 8, 2004, the shareholders of Gold Fields approved a series of transactions, involving the acquisition by Mvela Resources, through a wholly-owned subsidiary, of a 15% beneficial interest in the South African gold mining assets of Gold Fields, for cash consideration of R4,139 million. See Operating and Financial Review and Prospects Overview - Mvelaphanda Transaction.

On September 30, 2004, Gold Fields, Gold Fields Ghana Holdings Limited, Gold Fields Guernsey and IAMGold Corporation, or IAMGold, signed a definitive agreement pursuant to which, subject to certain conditions precedent, all assets owned by Gold Fields' subsidiaries located outside the Southern African Development Community would be transferred to IAMGold in exchange for the issuance to Gold Fields or its subsidiaries of common shares of IAMGold which will result in Gold Fields owning, directly or indirectly, approximately 70% of the fully diluted equity of the enlarged company. In addition, immediately before completion, IAMGold shareholders registered as such on a record date, which will be a

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date shortly before completion, will receive a special cash dividend of C\$0.50 per IAMGold share. The definitive agreement was amended and restated as of November 4, 2004 to incorporate certain conditions and amendments requested by the Toronto Stock Exchange, or the TSX. See [Recent Developments](#) [Proposed IAMGold Transaction](#).

On October 18, 2004, Harmony Gold Mining Company Limited, or Harmony, announced an unsolicited and hostile tender offer to acquire the entire issued share capital of Gold Fields. According to the registration statement on Form F-4, or the Form F-4, filed by Harmony with the SEC, Harmony has structured the tender offer to occur in two steps. The first step consists of an [early settlement offer](#) in which Harmony has offered, subject to certain conditions, to acquire up to 34.9% of the outstanding Gold Fields ordinary shares (including ordinary shares in the form of American depositary shares, or ADSs). Subject to satisfaction of the conditions to the early settlement offer, Harmony has stated that the offer will close on November 26, 2004. According to the Form F-4, following completion of the early settlement offer, Harmony has irrevocably committed to make a subsequent offer to acquire, subject to certain conditions, the remaining Gold Fields ordinary shares and ADSs not tendered or accepted for payment in the early settlement offer on same terms as were given in the early settlement offer. As disclosed by Harmony, each of the early settlement offer and the subsequent offer are comprised of two offers [a U.S. Offer](#) which is available to holders of Gold Fields ordinary shares located in the United States and holders of Gold Fields ADSs wherever located and an [International Offer](#) which is available to holders of Gold Fields ordinary shares outside the United States to the extent such holders may lawfully participate in the International Offer. In the Form F-4, Harmony states that, with respect to the early settlement offer, the U.S. Offer and the International Offer are being made on substantially similar terms and are subject to substantially similar conditions.

In response to Harmony's unsolicited and hostile tender offer, on November 3, 2004, the Board of Gold Fields issued an Offer Response Document to its shareholders and filed a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC recommending that Gold Fields shareholders take no action and reject the Harmony offer.

See [Recent Developments](#) [Harmony Offer](#) .

Gold Fields is a public company incorporated in South Africa, with a registered office located at 24 St. Andrews Road, Parktown 2193, South Africa, telephone number 011-27-11-644-2400.

Organizational Structure

Gold Fields is a holding company with its ownership interests organized as set forth below.

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Group Structure⁽¹⁾

Notes:

- (1) Unless otherwise stated, all subsidiaries are, directly or indirectly, wholly owned by Gold Fields Limited
- (2) Closing is conditional upon approval of an environmental impact study and issue of construction permits

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South Africa: Gold Fields' interests in the Driefontein, Kloof and Beatrix operations are held through GFIMSA.

Ghana: Gold Fields' interests in the Tarkwa and Damang mines, which comprise the Ghana operation, are held through its 71.1% owned subsidiaries, Gold Fields Ghana Limited, or Gold Fields Ghana, and Abosso Goldfields Limited, or Abosso, respectively. The remaining interests in Gold Fields Ghana and Abosso are indirectly held by IAMGold Corporation, or IAMGold, which acquired an 18.9% beneficial interest previously held by Repadre Capital Corporation following a merger between the two companies on January 8, 2003, and the government of Ghana, which holds a 10.0% interest.

Australia: Gold Fields' interests in the St. Ives and Agnew mines are held through two wholly-owned Australian subsidiaries, St. Ives Gold Mining Company Pty Ltd. and Agnew Gold Mining Company Pty Ltd., which, in turn, are wholly owned through intermediaries by Orogen.

Exploration Assets: Gold Fields' exploration assets are generally held by project companies in the jurisdiction where the exploration assets are located, which are, in turn, held through either Orogen or Gold Fields Guernsey. Orogen holds APP through intermediaries.

Strategy

General

Gold Fields is a significant producer of gold and major holder of gold reserves in South Africa, Ghana and Australia. The gold industry has historically been highly fragmented and a trend has been underway to consolidate the industry to make it more competitive and efficient. Gold Fields supports and is participating in this consolidation, as shown by its acquisitions of assets in Australia and Ghana.

Gold Fields also intends to enter the platinum group metals, or PGM, business, and to this end has acquired a PGM deposit in Finland. The full mineral and economic potential of this deposit continued to be evaluated during fiscal 2004.

Global Context

Gold Fields' strategy was developed in the context of a global market characterized by an extended period of low gold prices, reduced global expenditure on gold exploration and increasing industry consolidation. This strategy has evolved over time, but despite the recent increase in the price of gold, Gold Fields has maintained a strategy of general caution with respect to financial commitments while maintaining full exposure to the effects of the gold price.

Generally, Gold Fields' strategy consists of the following key elements:

improving returns through the optimization of existing assets and diversification. Specifically, this implies the reduction of costs and growing assets through inward investment while growing Gold Fields by diversifying geographical, technical and product risk by acquiring and developing additional long-life assets;

developing the people of Gold Fields. Gold Fields believes that it has two primary assets – ore reserves and people and Gold Fields has implemented education and training programs for employees at all levels;

earning and maintaining what Gold Fields calls its license to operate in those countries and regions in which it operates. Gold Fields views its ability to conduct its operations as involving a reciprocal commitment from Gold Fields to the communities where it is located and the ability to deal with issues related to sustainable development;

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developing the gold market for the benefit of Gold Fields' product and its shareholders. The fact that Gold Fields is essentially unhedged underlines its commitment to gold. Gold Fields fully supports the World Gold Council, or WGC. Christopher M.T. Thompson, a director and chairman of Gold Fields, became chairman of the WGC in 2002 and continues in that capacity currently.

Improved Profitability and Increased Reserves

Improved profitability and increased reserves at existing underground operations in South Africa and operations elsewhere can be achieved by reducing costs and thereby reducing cut-off grades. Management believes that significant opportunity exists to do this, specifically through:

investing in cost reduction through replacement of older equipment with modern and more efficient equipment;

improved incentive compensation systems that more effectively link reward to key outputs; and

better use of new technologies in the form of new mining methods, the use of drill rigs and jigs, improved ventilation usage and research into new underground mining techniques.

Acquisitions and Exploration

Gold Fields is one of the largest producers of gold in the world based on annual gold production. Gold Fields' corporate development mandate is to grow as a world leader in developing and operating precious metal mines and to make investments that generate positive returns. Gold Fields is sensitive to the fact that industry pressure for consolidation and the competition for acquisitions are pushing asset prices to high levels that threaten returns. Gold Fields believes its acquisitions of St. Ives and Agnew in Australia, the Teberebie property in Ghana and the Damang mine in Ghana offer excellent prospects of good investment returns and growth due to the exploration potential offered at the sites and, with respect to the Ghana operation, the synergies offered with respect to Gold Fields' existing operations. Accordingly, these acquisitions provide examples of what is possible despite the limitations that constrain Gold Fields' ambitions.

For acquisitions of gold assets or companies outside South Africa, Gold Fields is at somewhat of a disadvantage to certain of its competitors outside South Africa but also has offsetting strengths. First, South African exchange control regulations limit Gold Fields' ability to provide guarantees or borrow outside South Africa without express approval from the South African Reserve Bank, or the SARB. In his speech to Parliament towards the end of October 2004, the Minister of Finance outlined the South African Treasury's medium term budget policy statement and repeated that it was the government's eventual goal to replace all remaining exchange controls with prudential benchmarks. He also announced the abolition of exchange control limits on new outward foreign direct investments by South African corporations and the lifting of their obligation to repatriate foreign dividends. Gold Fields nonetheless remains at a disadvantage to its non-South African competitors. Second, shares of North American and, to a lesser extent, Australian gold companies historically have traded at premiums relative to shares of South African gold companies, thereby making it difficult to make non-dilutive acquisitions through equity issuances, although these premiums have reduced recently. On the other hand, Gold Fields has a strong balance sheet and low debt-to-equity ratio that diminishes the equity pricing disadvantage, and also has a skilled and effective corporate evaluation and acquisition team.

Gold Fields maintains an active global exploration effort for gold and PGMs through exploration offices worldwide and an exploration team that management believes is well focused, cost efficient and skilled. Generally, Gold Fields budgets to spend up to \$10 per ounce of gold it produces on exploration, provided the opportunities offered warrant such expenditure. Exploration efforts are carefully selected with strict economic criteria in mind.

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Hedging

Generally, Gold Fields does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold production. Gold Fields believes that investors in Gold Fields shares seek an unlimited exposure to movements in the U.S. dollar gold price and the resulting effect on Gold Fields earnings.

However, commodity hedges are sometimes undertaken on a project specific basis as follows:

to protect cash flows at times of significant expenditure;

for specific debt servicing requirements; and

to safeguard the viability of higher cost operations.

Gold Fields may from time to time establish currency and/or interest rate financial instruments to protect underlying cash flows or to take advantage of potential favorable currency movements.

Reserves of Gold Fields as of June 30, 2004

Methodology

While there are some differences between the definition of the South African Code for Reporting of Mineral Resources and Mineral Reserves, or SAMREC Code, and that of the SEC's industry guide number 7, only reserves at each of Gold Fields operations as of June 30, 2004 which qualify as proven and probable reserves for purposes of the SEC's industry guide number 7 are presented in the table below. See Glossary of Mining Terms. In accordance with the requirements imposed by the JSE, Gold Fields reports its reserves using the terms and definitions of the SAMREC Code. Mineral reserves, as defined under the SAMREC Code, are divided into categories of proved and probable reserves and are expressed in terms of tonnes to be processed at mill feed head grades, allowing for estimated mining dilution and recovery factors.

Gold Fields reports reserves using cut-off grades (mainly for open pit operations) and pay limits to ensure the reserves realistically reflect both the cost structures and required margins relevant to each mining operation. Cut-off grade is the grade which distinguishes the material within an orebody that is to be extracted and treated, from the remaining material. The pay limit is the grade at which an orebody can be mined without profit or loss calculated using an appropriate gold price and working costs, plus modifying factors. Modifying factors used to calculate the pay limit grades include adjustments to mill delivered amounts, due to dilution incurred in the course of mining. Modifying factors applied in estimating reserves are primarily historical, but commonly incorporate adjustments for planned operational improvements such as those described below under Description of Mining Business Productivity Initiatives. Tonnage and grade includes some mineralization below the selected pay limit and cut-off grade to ensure that the reserve comprises blocks of adequate size and continuity. Reserves also take into account cost levels at each operation and are supported by mine plans.

The estimation of reserves at the South African underground operations is based on surface drilling, underground drilling, surface three-dimensional reflection seismics, orebody facies, structural modeling, underground channel sampling and geostatistical estimation. The reefs are initially explored by drilling from the surface on an approximately 500 meter to 2,000 meter grid. Once underground access is available, drilling is undertaken on an approximate 30 meter by 60 meter grid. Underground channel sampling perpendicular to the reef is undertaken at three meter intervals in development areas and five meter intervals at stope faces. For the Tarkwa open pit operation, estimation of reserves is based on a combination of an initial 100 or 200 meter

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grid of diamond drilling and a 12.5 meter to 25.0 meter grid of reverse circulation drilling. For the Damang open pit operation, estimation of reserves is based on a 20 meter to 80 meter grid of both diamond drilling and reverse circulation drilling.

At the Australian operations the estimation of reserves for both underground and open-pit operations is based on exploration, sampling and testing information gathered through appropriate techniques, primarily from drill holes and mine development. The locations of sample points are spaced closely enough to deduce or confirm geological and grade continuity. Generally, drilling is undertaken on grids which range between 20 meters by 20 meters to 40 meters by 40 meters, although this may vary depending on the continuity of the orebody. Due to the variety and diversity of resources at St. Ives and Agnew, sample spacing may also vary depending on each particular ore type.

Reserve Statement

As of June 30, 2004, Gold Fields had aggregate attributable proven and probable reserves of approximately 75.4 million ounces as set forth in the following table:

Ore Reserve statement as of June 30, 2004⁽¹⁾

	Proven reserves			Probable reserves			Total reserves			Attributable gold production in the year ended June 30, 2004 ⁽²⁾
	Tonnes (million)	Grade (g/t)	Gold (000 oz)	Tonnes (million)	Grade (g/t)	Gold (000 oz)	Tonnes (million)	Grade (g/t)	Gold (000 oz)	
Underground										
Driefontein (total)	29.4	8.1	7,621	59.2	8.1	15,485	88.6	8.1	23,106	970
Above infrastructure ⁽³⁾	29.4	8.1	7,621	27.2	8.2	7,150	56.6	8.1	14,771	
Below infrastructure ⁽³⁾				32.0	8.1	8,335	32.0	8.1	8,335	
Kloof (total)	17.4	10.3	5,786	62.0	10.6	21,138	79.4	10.5	26,924	1,000
Above infrastructure ⁽³⁾	17.4	10.3	5,786	25.2	8.5	6,885	42.6	9.3	12,671	
Below infrastructure ⁽³⁾				36.8	12.0	14,253	36.8	12.0	14,253	
Beatrix (total)	19.0	5.2	3,198	35.9	5.7	6,547	54.9	5.5	9,746	593
Above infrastructure ⁽³⁾	19.0	5.2	3,198	33.9	5.7	6,185	52.9	5.5	9,384	
Below infrastructure ⁽³⁾				2.0	5.6	362	2.0	5.6	362	
Australia										
St. Ives ⁽⁴⁾										
Agnew ⁽⁴⁾										

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Total Underground	<u>65.8</u>	<u>7.8</u>	<u>16,606</u>	<u>157.1</u>	<u>8.5</u>	<u>43,170</u>	<u>222.9</u>	<u>8.3</u>	<u>59,776</u>	<u>2,562</u>
Surface (Rock Dumps)										
Driefontein				12.7	1.3	511	12.7	1.3	511	171
Kloof				13.6	0.8	341	13.6	0.8	341	38
Beatrix				2.7	0.7	58	2.7	0.7	58	32
Surface (Production Stockpile)										
Ghana										
Tarkwa	2.9	0.9	82				2.9	0.9	82	
Damang	6.5	1.4	283				6.5	1.4	283	
Australia										

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	Proven reserves			Probable reserves			Total reserves			Attributable gold production in the year ended 2004 ⁽²⁾ June 30,
	Tonnes (million)	Grade (g/t)	Gold (000 oz)	Tonnes (million)	Grade (g/t)	Gold (000 oz)	Tonnes (million)	Grade (g/t)	Gold (000 oz)	
St. Ives ⁽⁴⁾	7.4	1.1	265				7.4	1.1	265	
Agnew ⁽⁴⁾	0.5	1.4	22				0.5	1.4	22	
Surface (Open Pit)										
Ghana										
Tarkwa	142.0	1.3	6,088	105.0	1.3	4,303	247.0	1.3	10,391	391 ⁽⁵⁾
Damang ^{(6) (7)}	1.8	0.9	60	5.1	1.5	244	7.0	1.4	304	219 ⁽⁵⁾
Australia										
St. Ives ^{(4) (6)}	1.8	3.5	203	20.3	3.9	2,545	22.1	3.9	2,748	543 ⁽⁵⁾
Agnew ^{(4) (6)}	0.4	14.9	180	3.5	4.1	454	3.8	5.2	634	202 ⁽⁵⁾
Total Surface	163.3	1.4	7,183	162.9	1.6	8,456	326.2	1.5	15,639	1,596
Total	229.1	3.2	23,789	320.0	5.0	51,626	549.1	4.3	75,415	4,158⁽⁸⁾

Notes:

- (1) Quoted as mill delivered tonnes and run of mine grades, inclusive of all mining dilutions and gold losses except mill recovery. Metallurgical recovery factors have not been applied to the reserve figures. The approximate metallurgical factors are as follows: (1) Driefontein 96.9%; (2) Kloof 97.5%; (3) Beatrix 96.7%; (4) Tarkwa 95% for milling, 66% for heap leach; (5) Damang 88.6%-94.5%; (6) St. Ives 94% for milling, 55% for heap leach and (7) Agnew 94%. For Driefontein, Kloof and Beatrix, a gold price of Rand 90,000 per kilogram (\$350 per ounce at an exchange rate of Rand 8.00 per \$1.00) was applied in calculating ore reserve figures. For the Tarkwa and Damang operations, ore reserve figures are based on an optimized pit at a gold price of \$350 per ounce. For the Australian operations ore reserve figures are based on a gold price of A\$580 per ounce (\$350 per ounce at an exchange rate of A\$1.66 per \$1.00). Open pit ore reserves at the Australian operations are similarly based on optimized pits. The gold price used for reserves is the three year average, calculated on a monthly basis, of the London afternoon fixing price of gold.
- (2) Actual gold produced after metallurgical recovery.
- (3) Above infrastructure reserves relate to mineralization which is located at a level at which an operation currently has infrastructure sufficient to allow mining operations to occur. Below infrastructure reserves relate to mineralization which is located at a level at which an operation currently does not have infrastructure sufficient to allow mining operations to occur, but where the operation has made plans to install additional infrastructure in the

future which will allow mining to occur at that level.

- (4) All operations at St. Ives and Agnew are considered surface operations for purposes of reporting reserve and production data in this reserves table.
- (5) Includes some gold produced from stockpile material which cannot be separately measured.
- (6) Excludes inferred material within the pit design.
- (7) Excludes amounts for Lima South, for which an application for conversion from a prospecting license to mining license has been lodged. The application for the conversion to a mining lease requires the grant of an environmental permit from the Ghanaian Environmental Protection Agency. Gold Fields is not aware of any significant impediment to the grant of that permit.

(8) The total does not reflect the sum of the line items due to rounding.

The amount of mineralization which Gold Fields can economically extract, and therefore can classify as reserves, is very sensitive to fluctuations in the price of gold. At gold prices different from the gold price of \$350 per ounce used to estimate Gold Fields' attributable reserves of 75.4 million ounces of gold as of June 30, 2004 listed above, Gold Fields' operations would have had significantly different reserves. Based on the same methodology and assumptions as were used to estimate Gold Fields' reserves as of June 30, 2004 listed above, but applying different gold prices that are 10% above and below the \$350 per ounce gold price used to

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estimate Gold Fields attributable reserves, the attributable reserves of Gold Fields operations would have been as follows:

	<u>\$ 315/oz</u>	<u>\$ 350/oz</u>	<u>\$ 385/oz</u>
	(000 oz)	(000 oz)	(000 oz)
Driefontein ⁽¹⁾	14,145 ⁽²⁾	23,106	23,577
Kloof ⁽¹⁾	9,332 ⁽³⁾	26,924	29,891
Beatrix ⁽¹⁾	8,409	9,746	10,289
Tarkwa	8,871	10,473	11,790
Damang	464	587	603
St. Ives	2,764	3,013	3,139
Agnew	637	656	682
	<u> </u>	<u> </u>	<u> </u>
Total ⁽¹⁾	44,622	74,505	79,971
	<u> </u>	<u> </u>	<u> </u>

Notes:

- (1) South African operations reserves exclude rock dumps.
- (2) Excludes Shaft No. 5 below infrastructure material which would not be economical to mine, and thus would not be a reserve, at this gold price.
- (3) Excludes the Kloof Extension Area and Eastern Boundary Area and which would not be economical to mine and thus would not be a reserve at this gold price.

The London afternoon fixing price on October 29, 2004 was \$426 per ounce.

Gold Fields methodology for determining its reserves is subject to change and is based upon estimates and assumptions made by management regarding a number of factors as noted above under Methodology. Accordingly, the sensitivity analysis of Gold Fields reserves provided above should not be relied upon as indicative of what the estimate of Gold Fields reserves would actually be or have been at the gold prices indicated, or at any other gold price, nor should it be relied upon as a basis for estimating Gold Fields ore reserves based on the current gold price or what Gold Fields reserves will be at any time in the future. See Key Information Risk Factors Gold Fields gold reserves are estimates based on a number of assumptions, any changes to which may require Gold Fields to lower its estimated reserves.

Geology

The majority of Gold Fields gold production is derived from deep-level underground gold mines located along the northern and western margins of the Witwatersrand Basin in South Africa. These properties include the Beatrix operation, the Driefontein operation and the Kloof operation. These mines are typical of the many Witwatersrand Basin operations which together have produced over 1.3 billion ounces of gold over a period of more than 100 years.

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The Witwatersrand Basin comprises a 6,000 meter vertical thickness of sedimentary rocks, extending laterally for some 300 kilometers northeast to southwest by some 100 kilometers northwest to southeast, generally dipping at shallow angles towards the center of the basin. The basin outcrops at its northern extent near Johannesburg but to the west, south and east it is overlain by up to 4,000 meters of volcanic and sedimentary rocks. The Witwatersrand Basin is Achaean in age, meaning the sedimentary rocks are of the order of 2.7 to 2.8 billion years old.

Gold mineralization occurs within laterally extensive quartz pebble conglomerate horizons called reefs which are developed above unconformable surfaces near the basin margin. As a result of faulting and primary controls on mineralization structure, the gold fields are not continuous and are characterized by the presence or dominance of different reef units. The reefs are generally less than two meters in thickness and are widely considered to represent laterally extensive braided fluvial deposits or unconfined flow deposits which formed along the flanks of alluvial fan systems around the edge of an inland sea. Dykes and sills of diabase or doleritic composition are developed within the Witwatersrand Basin and are associated with several intrusive and extrusive events.

The gold generally occurs in native form, often associated with pyrite and carbon. Pyrite and gold within the reefs display a variety of forms, some obviously indicative of detrital transport within the depositional system and others suggesting crystallization within the reef itself.

The most fundamental controls of gold distribution are the primary sedimentary features such as facies variation and channel directions. Consequently, the modeling of sedimentary features within the reefs and the correlation of payable grades with certain facies is key to in situ reserve estimation as well as effective operational mine planning and grade control.

For a discussion of the geological features present at the Tarkwa, Damang, St. Ives and Agnew mines, see the geology discussion contained in the description of each of those mines found below under Gold Fields Mining Operations Ghana Operation Tarkwa, Gold Fields Mining Operations Ghana Operation Damang, Gold Fields Mining Operations Australia Operation St. Ives, and Gold Fields Mining Operations Australia Operation Agnew.

Description of Mining Business

The discussion below provides a general overview of the mining business as it applies to Gold Fields.

Exploration

Exploration activities are focused on the extension of existing orebodies and identification of new orebodies both at existing sites and at undeveloped sites. Once a potential orebody has been discovered, exploration is extended and intensified in order to enable clearer definition of the orebody and the potential portions to be mined. Geological techniques are constantly refined to improve the economic viability of prospecting and mining activities.

Mining

Gold Fields currently mines only gold, with silver as a by-product. The mining process can be divided into two principal activities: (1) developing access to the orebody; and (2) extracting the orebody once accessed. These two processes apply to both surface and underground mines.

Underground Mining

Developing access to the orebody

For Gold Fields' underground mines, access to orebodies is provided through vertical, inclined and declined shaft systems. If additional depth is required to fully exploit the reef, and it is economically feasible, then

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secondary (sub-vertical) or tertiary shafts are sunk from the underground levels. Horizontal development at various intervals of a shaft, known as levels, extends access to the horizon of the reef to be mined. On-reef development then provides specific mining access. South African mine layouts generally follow a linear, crisscross pattern, while Australian mines have more varied layouts and typically use a spiral-shaped decline layout to descend alongside the orebody.

Extracting the orebody

Once an orebody has been accessed, drilling, blasting, supporting and cleaning activities are carried out on a daily basis and broken ore is scraped into and down gullies to ore passes where it is channeled to the crosscut below. The ore is then hauled by rail to shaft ore passes where it is tipped into loading stations for hoisting to surface. Mining methods employed at Gold Fields operations include longwall mining, closely spaced dip pillar mining and conventional scattered mining. In Australia, extraction methods are highly mechanized, with mechanized equipment used within the declines and at the stope for drilling, loading and hauling. South African mining methods tend to be more labor intensive.

Open Pit Mining

Developing access to the orebody

In open pit mining, access to the ore is achieved by stripping the overburden in benches of fixed height to expose the ore below. This is most typically achieved by drilling and blasting an area, loading the broken rock with excavators into dump trucks and hauling the rock and/or soil to dumps.

Extracting the orebody

Extraction of the orebody in open pit mining involves the same activity as in stripping the overburden. The rock is drilled, and the drill cuttings are sampled to determine the grade of the rock at each blasting location. The rock is blasted and lines are established demarcating ore from waste material. The ore is hauled by dump truck to the crusher or stockpile, while the waste is hauled to waste rock dumps.

Rock Dump and Production Stockpile Mining

Gold Fields mines surface rock dumps and production stockpiles using mechanized earth moving equipment.

Mine Planning and Management

Operational and planning management on the mines receives support from corporate management and centralized support functions. The current philosophy is one of bottom-up management, with the non-financial operational objectives at each mine defined by the personnel at the mine based on parameters, objectives and guidelines provided by Gold Fields head office. This is based on the premise that the people on the ground have the best understanding of what is realistically achievable.

Gold Fields has a two-stage mine planning process. Each operation compiles a life of mine, or LoM, plan during the first half of each fiscal year and a detailed two year operational plan during the second half of each fiscal year, based on financial parameters issued to the operation by Gold Fields Operating Committee. See Directors, Senior Management and Employees Operating Committee. The operational plan is presented to Gold Fields Board for approval at the end of each fiscal year. The planning process is sequential and is based upon geological models, evaluation models, depletion schedules and, ultimately, financial analysis. Capital planning is formalized pursuant to

Gold Fields' capital spending planning process. Projects are categorized in terms of total expenditure, and all projects involving amounts exceeding Rand 50.0 million (\$8.2 million) are submitted to the full Board for approval.

The South African operations have implemented an integrated electronic reserve and resource information system, called IRRIS, to enhance LoM planning capabilities. This system provides a common planning platform to facilitate quicker, more flexible and more accurate short- and long-term planning and more timely

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identification of production shortfalls. Short term planning on the operations is conducted monthly and aligned with the operational plan. Financial and economic parameters for the LoM and operational plan are issued to the operations from the head office and relevant survey and evaluation factors are determined in accordance with Gold Fields guidelines.

Processing

Gold Fields currently has 14 gold plants (eight in South Africa, three in Ghana (an additional plant is in the process of being commissioned) and three in Australia) which treat ore to extract gold. A typical gold processing plant circuit includes two phases: comminution and treatment.

Comminution

Comminution is the process of breaking up the ore to expose and liberate the gold and make it available for treatment. Conventionally, this process occurs in multi-stage crushing and milling circuits, which include the use of jaw and gyratory crushers and rod, tube, ball and semi-autogenous grinding, or SAG, mills. Gold Fields' newer milling circuits utilize SAG milling where the ore itself and steel balls are used as the primary grinding medium. In older plants, traditional crushing and milling processes are used. Through the comminution process, ore is ground to a minimum size before proceeding to the treatment phase.

Treatment

In all of Gold Fields' metallurgical plants, gold is extracted into a leach solution by leaching with cyanide in agitated tanks. Gold is then extracted onto activated carbon from the solution using either the CIL or CIP process. The activated carbon is then eluted with gold recovered by electrowinning.

Gold Fields also has three heap leach operations. In the heap leach process, crushed ore is stacked on impervious leach pads and a cyanide leaching solution is sprayed on the pile. The solution percolates through the heap and dissolves liberated gold. A system of underdrains removes the gold-containing solution, which is then passed through columns containing activated carbon using the AD&R process. The loaded carbon is then eluted and the gold recovered by electrowinning.

As a final recovery step, gold recovered from the carbon using the above processes is smelted to produce rough gold bars. These bars are then transported to the refinery which is responsible for refining the bars to good delivery status.

Productivity Initiatives

Gold Fields is currently undertaking a number of initiatives intended to increase efficiency and reduce production costs at its mines. These initiatives include:

Safe Quality Planned Blast, or SQPB

At the South African operations, the SQPB initiative covers various activities that form part of the underground mining process and are tailored specifically to each operating mine. The purpose of the initiative is to provide for a safe blast each day as planned in the mining cycle, either at the stope face or at a development end to meet specific production and/or development targets.

Optimization

Various initiatives are in place to increase productivity at the international operations. For example, at St. Ives, Gold Fields is studying an improved process for the removal of lake sediment on Lake Lefroy and the introduction of trains for the hauling of underground ore at the Leviathan underground mine. At Agnew, Gold Fields is adapting the underground mining method to facilitate the safe removal of pillars at the Kim mine by introducing cemented backfill. At Tarkwa, Gold Fields converted operations

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to owner mining during fiscal 2004 and, in connection with the conversion, purchased a full fleet of mining equipment.

Cost, Supply and Labor Management

Gold Fields has implemented standardized cost reporting with uniform terminology and is introducing various systems to centralize supply procurement, improve vendor management and share services among shafts and operations. Gold Fields is putting in place an integrated daily reporting system throughout the South African operations, which it hopes will permit better allocation of labor and supplies among shafts. This includes a new payroll and human resources system called Solitgold, described below, which has been implemented at the Driefontein and Kloof operations and is expected to be implemented at the Beatrix operation in fiscal 2005. In addition, all production and ore reserve management reports are now part of the IRRIS system. See Mine Planning and Management.

Bonus Systems

Payroll, human resources and bonus systems are being integrated across the South African operations. Gold Fields is altering the bonus system to move it to production target-based standards, rather than only efficiency-based standards, and align it more closely with the SQPB objectives. See Directors, Senior Management and Employees Labor Relations Bonus Schemes.

Refrigeration and Ventilation Infrastructure

Gold Fields continues to upgrade and increase the efficiency of its refrigeration and ventilation systems.

Training

Gold Fields has implemented an expanded training program for employees at all levels, with an emphasis on safety, literacy and middle management development. An integrated people development system called The Integrated Manager (TIM) has been implemented at all mine sites. See Directors, Senior Management and Employees Employees Training.

Technology

Gold Fields is introducing a number of applied mining technologies, including mechanized development drill rigs and stope drill jigs, increased use of hydropower, new blasthole drilling methods and transport systems.

Payroll and Human Resources Systems

Gold Fields is currently replacing its seven different payroll and human resources systems in South Africa with an integrated payroll and human resources systems called Solitgold. Gold Fields anticipates that this initiative will provide improved controls and the ability to better manage its payroll and costs on a group-wide basis. The system was implemented in March 2004 at Driefontein and Kloof and is scheduled for implementation in fiscal 2005 at Beatrix.

Processing

Gold Fields is upgrading its metallurgical plants with the aim of reducing processing costs and improving security.

Palladium

Gold Fields has introduced Palladium, an integrated occupational health and safety system that integrates and manages health and safety data from all of the South Africa operations. The

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management system to support Palladium is currently being finalized and Gold Fields expects the system to be fully operational in fiscal 2004.

Refining and Marketing

Gold Fields has appointed Rand Refinery Limited, or Rand Refinery, to refine all of Gold Fields' South African produced gold. Rand Refinery is a private company in which Gold Fields holds a 33.1% interest, with the remaining interests held by other South African gold producers.

On June 1, 2004 Gold Fields exercised its right under its agreement with Rand Refinery to sell all of Gold Fields' gold production from its South African operations with effect from October 1, 2004. Prior to that time, Rand Refinery was the exclusive agent to sell Gold Fields' South African produced gold, and Gold Fields' treasury was appointed by Rand Refinery to act as its agent with respect to the sale of 50% of such gold to international customers. Under the new arrangement, Rand Refinery advises Gold Fields from time to time of the amount of gold available for sale. Gold Fields sells the gold at the London afternoon fixing price for the day if it is so advised. Within two business days after receipt of this advice Gold Fields deposits an amount in U.S. dollars equal to the value of the gold sold into Rand Refinery's nominated U.S. dollar account. On the date of the deposit, Rand Refinery, in turn, deducts any refining and administrative charges payable by Gold Fields relating to such amount of gold, and deposits the balance of the money into the nominated U.S. dollar account of Gold Fields. Gold Fields pays Rand Refinery an amount for administrative services associated with delivery of the refined gold of \$0.05 per troy ounce of gold and a refining fee of \$0.23 per troy ounce of gold received by Rand Refinery.

All gold produced by Gold Fields at the Tarkwa and Damang mines is refined by Rand Refinery pursuant to two non-exclusive agreements entered into in October 2004 between Rand Refinery and Gold Fields Ghana, and between Rand Refinery and Abosso. Under these agreements, Rand Refinery collects, refines and sells gold as instructed by Gold Fields Ghana and Abosso. Rand Refinery assumes responsibility for the gold upon collection at either the Tarkwa or Damang mine. The gold is then transported to the Rand Refinery premises in Johannesburg, South Africa, where it is refined. Gold Fields Ghana and Abosso reimburse Rand Refinery for transportation costs. Under these agreements, Rand Refinery sells the refined gold on behalf of Gold Fields Ghana and Abosso at the London afternoon fixing price for gold on the date of delivery. Rand Refinery receives refining fees of \$0.33 per ounce of gold received, and a realization fee equal to \$0.16 per ounce of gold refined. These agreements continue until either party terminates it upon 90 days' written notice.

In Australia, all gold produced by St. Ives and Agnew is refined by AGR Joint Venture (trade name Australian Gold Refineries). The AGR Joint Venture is a partnership between Australian Gold Alliance Pty Ltd and WA Mint (trade name Perth Mint). Under an agreement which became effective on September 1, 2002 among St. Ives Gold Mining Company Pty Ltd, Agnew Gold Mining Company Pty Ltd and AGR Joint Venture, AGR Joint Venture refines the gold produced by St. Ives and Agnew for a refining fee of A\$0.36 per ounce of gold plus a transportation fee of A\$0.09 per ounce (subject to minimum charges). The refining fee is scheduled to increase by two cents per ounce in January 2005 and again in January 2006. AGR Joint Venture retains 0.1% of the gold it refines to cover losses in the refining process. AGR Joint Venture must collect the gold from St. Ives and Agnew, refine it and credit the gold to its metals account in Western Australia and then either purchase the gold or swap it to London, which means that AGR Joint Venture provides gold in London for sale by Gold Fields in an amount equal to the gold from St. Ives and Agnew located in Perth. At Gold Fields' election the gold may be sold to AGR Joint Venture at spot for a fee of \$0.20 per ounce or at the London morning or afternoon fixing price for a fee of \$0.25 cents per ounce or, if the gold is swapped to London, and sold through third parties for a fee which is based on the gold price and interest rates. This agreement continues indefinitely until terminated by either party upon 90 days' written notice.

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Gold Fields supports and participates in the gold marketing activities of the WGC and contributes \$1.75 per ounce of gold it produces to the WGC in support of its activities.

Services

Mining activities require extensive services, located both on the surface and underground at the mines. Services include:

mining-related services such as engineering, rock mechanics, ventilation and refrigeration, materials handling, operational performance evaluation and capital planning;

safety and training;

housing and health-related services, including hostel and hospital operations;

geological services, including mine planning and design;

reserves management including sampling and estimation;

metallurgy;

equipment maintenance; and

assay services.

Most of these services are provided directly by Gold Fields, either at the operation level or through the head office, although some are provided by third-party contractors.

Gold Fields Mining Operations

Gold Fields conducts underground mining operations at each site except Tarkwa and Damang and conducts some processing of surface rock dump material at Driefontein, Kloof and Beatrix. Tarkwa and Damang are open pit mines and also process material from production stockpiles. St. Ives and Agnew together include underground and open pit operations and also process material from production stockpiles.

Total Operations

The following chart details the operating and production results for fiscal 2002 for all operations owned by Gold Fields as of June 30, 2002, and for fiscal 2003 and fiscal 2004 for all operations owned by Gold Fields as of June 30, 2004, plus the operating and production results of the St. Helena mine through the first four months of fiscal 2003 prior to the sale of the mine to Freegold.

	Year ended June 30,		
	2002	2003	2004
Production			
Tonnes (000)	36,953	42,988	46,028
Recovered grade (g/t)	3.6	3.3	3.0

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Gold produced (000 oz) ⁽¹⁾⁽²⁾	4,307	4,577	4,406
Results of operations (\$ million)			
Revenues	1,210.0	1,538.2	1,706.2
Total production costs	831.4	1,168.3	1,538.3

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	Year ended June 30,		
	2002	2003	2004
Total cash costs	713.4	974.9	1,332.5
Cash profit ⁽³⁾	496.6	563.3	373.7
Cost per ounce of gold (\$)			
Total production costs	198	254	349
Total cash costs	170	212	302

Notes:

- (1) Includes production at Shaft No. 4, which was capitalized through the end of fiscal 2002 (fiscal 2002: 75,000 ounces)
- (2) In fiscal 2002, 4.109 million ounces of production were attributable to Gold Fields, in fiscal 2003, 4.334 million ounces were attributable to Gold Fields and in fiscal 2004, 4.158 million ounces were attributable to Gold Fields with the remainder attributable to minority shareholders in the Ghana operation.
- (3) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields' total cash costs to production costs, see "Operating and Financial Review and Prospects" Results of Operations.

Underground Operations

The following chart details the operating and production results for fiscal 2002 for all underground operations owned by Gold Fields as of June 30, 2002 and for fiscal 2003 and fiscal 2004 for all operations owned by Gold Fields as of June 30, 2004, plus the operating and production results of the St. Helena mine through the first four months of fiscal 2003 prior to the sale of the mine to Freegold.

	Year ended June 30,		
	2002	2003	2004
Production			
Tonnes ('000)	11,274	11,895	13,231
Recovered grade (g/t)	8.2	7.5	7.0
Gold produced ('000 oz) ⁽¹⁾	2,968	2,855	2,982
Results of operations (\$ million)			
Revenues	824.7	958.5	1,153.4
Total production costs	564.5	729.9	1,139.6
Total cash costs	498.0	636.8	996.6
Cash profit ⁽²⁾	326.7	321.7	156.8
Cost per ounce of gold (\$)			
Total production costs	197	252	382
Total cash costs	174	221	334

Notes:

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- (1) Includes production at Kloof Shaft No. 4, which was capitalized through the end of fiscal 2002; fiscal 2002: 75,000 ounces).
- (2) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields' cash costs to production costs, see Operating and Financial Review and Prospects' Results of Operations.
- Tonnes milled from the underground operations increased from 11.9 million tonnes in fiscal 2003 to 13.2 million tonnes in fiscal 2004. An increase of 2.0 million tonnes from the Australian operations, resulting from a reclassification of near surface operations from surface to underground operations, was largely offset by decreases at Driefontein and Kloof resulting from a reduction in lower grade mining at the South African operations to counter the lower Rand gold price. The amount of gold produced from the underground operations increased from 2.6 million ounces in fiscal 2003 to 3.0 million ounces in fiscal 2004. The primary reason for this increase was the Australian reclassification of near surface operations to underground operations, which accounted for an additional 420,000 ounces. This offset lower production from the South African operations due to lower tonnes milled at slightly lower yields.

Surface Operations

The following chart details the operating and production results for fiscal 2002 for all surface operations owned by Gold Fields as of June 30, 2002 and for fiscal 2003 and 2004 for all such operations owned by Gold Fields as of June 30, 2004. All operations at St. Ives and Agnew were considered surface operations prior to June 30, 2003 for purposes of reporting production data. Starting in fiscal 2004, production data for the Australian operations has been split between underground and surface operations.

	Year ended June 30,		
	2002	2003	2004
Production			
Tonnes ('000)	25,679	31,093	32,797
Recovered grade (g/t)	1.6	1.7	1.4
Gold produced ('000 oz) ⁽¹⁾	1,340	1,722	1,424
Results of operations (\$ million)			
Revenues	385.3	579.7	552.8
Total production costs	266.9	438.4	398.7
Total cash costs	215.4	338.1	335.9
Cash profit ⁽²⁾	169.9	241.6	216.9
Cost per ounce of gold (\$)			
Total production costs	199	255	280
Total cash costs	161	196	236

Notes:

- (1) In fiscal 2002, 1.142 million ounces of production were attributable to Gold Fields, in fiscal 2003, 1.480 million ounces of production were attributable to Gold Fields and in fiscal 2004, 1.176 million ounces of production were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.

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(2) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields' cash costs to production costs see Operating and Financial Review and Prospects' Results of Operations.

Tonnes milled from the surface operations increased from 31.1 million tonnes in fiscal 2003 to 32.8 million tonnes in fiscal 2004 despite the reclassification of near surface operations in Australia from surface to underground operations, principally due to increased tonnage produced in Australia and the treatment of surface tonnage at Beatrix via toll arrangements with a nearby operation. However, the amount of gold produced from the surface operations decreased from 1.7 million ounces in fiscal 2003 to 1.4 million ounces in fiscal 2004, primarily due to the increased processing of lower grade ore in Australia.

Driefontein Operation

Introduction

The Driefontein gold mine is located in the Gauteng Province of South Africa in the Far West Rand mining district, some 70 kilometers southwest of Johannesburg. Driefontein operates under a mining authorization with a total area of 8,561 hectares. It is an underground mine with nominal surface reserves represented by rock dumps that have been accumulated through the operating history of the mine. Driefontein has seven operating shaft systems and three metallurgical plants, and operates at depths between 800 meters and 3,400 meters. In the year ended June 30, 2004, it produced 1.1 million ounces of gold. Driefontein had approximately 17,900 employees, including a limited number employed by outside contractors as of June 30, 2004.

History

Driefontein was formed from the consolidation in 1981 of the East Driefontein and West Driefontein mines. Gold mining began at Driefontein in 1952.

Geology

Gold mineralization at Driefontein is contained within three reef horizons. The Carbon Leader Reef, or Carbon Leader, and the Ventersdorp Contact Reef, or VCR, occur at depths between 500 meters and 3,400 meters. The Middelvlei Reef is the third reef and is a minor contributor to reserves and production.

The stratigraphically lower Carbon Leader is a generally high-grade reef comprising different facies types, and dips to the south at approximately 25°. The Carbon Leader subcrops against the VCR in the eastern part of the mine. The west-dipping Bank Fault defines the eastern limit of both reefs. The VCR is most extensively developed in the east, and subcrops to the west. The average gold grades vary with lithofacies changes in the reef, with sub-economic grades developed on the eastern boundary and a higher grade north-trending zone developed to the west.

Mining

The Driefontein operation is engaged in both underground and surface mining, and is thus subject to all of the underground and surface mining risks discussed in the Risk Factors section. Due to the operating depths and extensive mined out areas, seismicity and the damage caused by seismicity are serious safety and productivity issues at Driefontein. To address this, among other things, Gold Fields seeks to use closely spaced dip pillar mining techniques in its newer deep level operations, as well as using backfill placement to stabilize particularly difficult areas. The safety record at the Driefontein operation during fiscal 2004, in terms of serious injury frequency rate and fatal injury frequency rate, was better than the South African industry average for the same period.

The primary challenges facing the Driefontein underground operation include seismicity, flammable gas, water intrusion and rock temperatures. As noted above, Gold Fields is seeking to reduce seismicity problems

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at Driefontein through using a combination of closely spaced dip pillar mining techniques and backfill methods. Water intrusion is dealt with through an extensive water pumping network. Also, because rock temperatures tend to increase with depth, Driefontein requires extensive cooling infrastructure to maintain comfortable conditions for workers. Driefontein experienced underground fires in July, September and October 2003 at Shaft Nos. 2, 10 and 8 respectively. Shaft No. 2 experienced a partial closure for 2 months, and Shaft No. 10 was closed for approximately 8 weeks after the fires. Shaft No. 8 was back in full production by the third quarter of fiscal 2004. In addition, there has been one fire to date in fiscal 2005 which resulted in minor production interruptions.

During the 2004 fiscal year, Driefontein suffered significant seismic events on July 29, 2003, July 31, 2003, September 22, 2003, November 13, 2003 and March 3, 2004 which resulted in one worker in each event losing their lives. Although the areas affected by the seismicity were temporarily closed, Driefontein did not experience material work stoppages in connection with the accidents. There have been no seismic related fatalities to date in fiscal 2005, but there have been scattered interruptions of the operations at Shaft Nos. 1, 2, 4 and 5.

With respect to underground operations, in the western, older portions of Driefontein the focus is on remnant pillar mining. Some mining activity is located in virgin rock, primarily using longwall and scattered mining methods. In the eastern, newer portions of the mine the focus is also on mining through scattered mining or longwall methods. Newer shafts in the eastern portion, particularly those at the deepest levels of the mine, employ the closely spaced dip pillar mining method. This method provides some mining flexibility and is designed to be generally safer than the longwall method. The scattered mining method is not practiced at depth.

Gold Fields is currently focusing development at Shaft Nos. 1 and 5 to increase mineable ore reserves. In addition to these shafts, Shaft No. 4 continues to be a primary center of production and new development to open up reserves in the shaft pillar area. The other shafts at the operation are mature, with production focused on remnant pillar extraction and accessing and mining the secondary reef horizons. Shaft Nos. 2 and 8 are being used to provide hoisting and services support to the active shafts. Gold Fields has completed a feasibility study to evaluate reopening Shaft No. 9, where development had previously been suspended, to access below infrastructure reserves. However, studies indicated that it was not economically feasible to open Shaft No. 9 at current gold prices. In addition, Shaft No. 10 was depleted in fiscal 2004 after having produced high grade ore for the last 40 years.

Operationally, Gold Fields is focused on improving quality square meters extracted through the SQPB initiative at Driefontein. Also, the Driefontein operation continues to focus on identifying previously worked areas which can offer opportunities for further production under current economic conditions and to search for payshoots outside the scope of current mine development.

Driefontein's surface operations are confined exclusively to the processing of rock dump material.

The Driefontein operation has access to the national electricity grid and water, road and rail infrastructure and is located near regional urban centers where it can routinely obtain needed supplies. Driefontein also has a water treatment plant to supply water to the Driefontein operation.

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Detailed below are the operating and production results at Driefontein for the past three fiscal years.

	Year ended June 30,		
	2002	2003	2004
Production			
Tonnes (000)	6,587	6,370	6,438
Recovered grade (g/t)	6.3	6.0	5.5
Gold produced (000 oz)	1,327	1,238	1,141
Results of operations (\$ million)			
Total production costs	234.2	293.7	405.6
Total cash costs	200.9	254.7	354.5
Cash profit ⁽¹⁾	171.3	165.5	85.9
Cost per ounce of gold (\$)			
Total production costs	180	233	355
Total cash costs	154	202	311

Note:

(1) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields' cash costs to production costs see Operating and Financial Review and Prospects' Results of Operations.

The increase in tonnage from fiscal 2003 to fiscal 2004 was primarily due to higher surface waste dump rock and plant clean up processing, offset partially by a decrease in underground tonnage to reduce mining in lower grade areas. The strength of the Rand resulted in a deliberate move to mining higher grade areas and the curtailment of mining in areas deemed not to be economically viable. In addition, Shaft Nos. 4 and 5 did not deliver in line with plan, primarily because of faulting and production bottlenecks. The fall in ounces of gold produced occurred principally as a result of the lower tonnage processed and a reduction in underground yields. Driefontein experienced an increase in total cash costs per ounce of gold from fiscal 2003 to fiscal 2004, principally as a result of the appreciation of the Rand against the U.S. dollar as well as higher Rand cash costs. Total cash costs in Rand terms increased due primarily to a decrease in gold production from output in Shaft Nos. 4 and 5, above inflation wage increases and increases in other costs generally in line with inflation.

Output quality of the Driefontein orebody improved over the course of the fiscal year as the mine switched to mining higher grades, primarily during the latter half of the fiscal year. Shaft No. 10 was closed during fiscal 2004 and less than planned output was achieved at Shaft No. 5 due to ventilation constraints. These ventilation constraints should be removed when a new refrigeration plant and cooling infrastructure is commissioned at Shaft No. 5, which is expected to occur in the third quarter of fiscal 2005.

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In June 2004, Gold Fields renamed its shafts at Driefontein. The total shaft hoisting capacity of Driefontein is detailed below.

Shaft System

Hoisting capacity	(tonnes/month)
No. 8 ⁽¹⁾	96,000
No. 10 ⁽²⁾	121,000
No. 6 ⁽³⁾	118,000
No. 7 ⁽⁴⁾	190,000
No. 1 ⁽⁵⁾	155,000
No. 2 ⁽⁶⁾	185,000
No. 4 ⁽⁷⁾	180,000
No. 5 ⁽⁸⁾	175,000

Notes:

(1) Formerly named Shaft No. 4W.

(2) Formerly named Shaft No. 5W. This shaft was closed in fiscal 2004.

(3) Formerly named Shaft No. 6W.

(4) Formerly named Shaft No. 7W.

(5) Formerly named Shaft No. 1E.

(6) Formerly named Shaft No. 2E.

(7) Formerly named Shaft No. 4E.

(8) Formerly named Shaft No. 5E.

On a simplistic basis, and assuming that Gold Fields does not identify any additional reserves at Driefontein, at the production level achieved in fiscal 2004, Driefontein's June 30, 2004 proven and probable reserves of 23.6 million ounces of gold will be sufficient to maintain production through approximately fiscal 2032. However, because Driefontein's operations consist of several different shafts that are at various stages of maturity, Gold Fields expects that some shafts will decrease production earlier than others. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2004, for each of the plants at Driefontein:

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Plant	Year commissioned	Processing Techniques		Capacity	Average milled for the year ended June	Approximate recovery factor for the year ended June
		Comminution Phase	Treatment phase		30, 2004	30, 2004
					(tonnes/month)	
No. 1 Plant	2003	SAG milling SAG/ball milling	Electrowinning and CIP treatment	240,000	197,300	96.9%
No. 2 Plant	2002	circuit	treatment ⁽¹⁾ CIP	200,000	211,800	95.1%
No. 3 Plant	1998	SAG milling	treatment ⁽¹⁾	115,000	127,300	95.7%

Note:

(1) After CIP treatment, electrowinning occurs at No. 1 Plant.

In fiscal 2004, the Driefontein plants collectively extracted approximately 96.2% of the gold contained in ore delivered for processing.

The No.1 Plant was commissioned with a new SAG milling circuit during the second quarter of fiscal 2004. An optimization program has been implemented to address a number of technical issues affecting the mill to improve mechanical reliability and overall utilization, including redesigning the mill discharge ends to improve product transfer size.

In addition, during fiscal 2004, certain upgrades were made at the No. 2 Plant to improve efficiency.

Capital Expenditure

Gold Fields spent Rand 238.3 million on capital expenditure at the Driefontein operation in fiscal 2004. This amount included Rand 138.7 million spent on continuing development at Shaft Nos. 1 and 5 and Rand 54.3 million on upgrading Plant Nos. 1 and 2. Gold Fields has budgeted approximately Rand 270.0 million of capital expenditure at Driefontein for fiscal 2005, principally for continuing major shaft development projects, completing metallurgical plant upgrades and completing the new refrigeration plant and cooling infrastructure at Shaft No. 5. Total capital expenditure for 2005 may be reduced if the Rand gold price remains depressed.

Kloof Operation**Introduction**

The Kloof operation is located in the Gauteng Province of South Africa, near Westonaria, and comprises the former Kloof, Libanon and Leeudoorn mines. Kloof operates under a mining authorization with a total area of 20,086

hectares. It is principally an underground operation, with a limited amount of processing of surface rock dump material. Kloof has five operating shaft systems serviced by three metallurgical plants, and, like Driefontein, is a deep-level mine, with operating depths between 1,000 meters and 3,500 meters. In the fiscal year ended June 30, 2004, it produced 1.0 million ounces of gold. As of June 30, 2004, Kloof had approximately 16,600 employees, including a limited number employed by outside contractors.

History

Kloof's present scope of operations is the result of the consolidation in fiscal 2000 of three adjacent mines: Kloof, Libanon and Leeudoorn. Gold mining began in the area now covered by these operations in 1934.

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Geology

The majority of production at Kloof is from the VCR, which occurs at depths between approximately 1,000 meters and 3,500 meters. The VCR has a general northeast strike and dips to the southeast at between 24° and 45°. The Middelvlei Reef is becoming an increasingly important contributor to production, while minor production volumes are planned from the Kloof and Libanon Reefs.

Kloof lies between the Bank Fault to the west, and the north trending Witpoortjie Fault to the east, the latter truncating the VCR east of the mine boundary. Normal faults are developed sub-parallel to the westerly dipping Witpoortjie Fault, with sympathetic north-northeast trending dykes that show little to no apparent offset of the stratigraphy. Structures that offset the VCR increase in frequency towards the southern portion of the mine.

Mining

The Kloof operation is engaged in underground mining, and is thus subject to all of the underground risks discussed in the Risk Factors section. Like Driefontein, Kloof experiences seismicity due to the extreme depth of operations and also experiences flammable gas. Newer development is based on the closely spaced dip pillar mining method to reduce the impact of seismicity at Kloof. Early detection and increased ventilation of the shafts are being used to minimize the risk of incidents caused by flammable gas. In fiscal 2004, the serious injury frequency rate and the fatal injury frequency rate at Kloof were in line with the South African industry average for the same period. Kloof had three fatalities in the first quarter of fiscal 2005.

The primary challenges facing the Kloof operation are seismicity and flammable gas. As noted above, Gold Fields seeks to reduce the impact of seismicity at Kloof by using the closely spaced dip pillar mining method. Kloof experienced consistent levels of flammable gas during fiscal 2004 as compared to fiscal 2003. As noted above, early detection and increased ventilation of the shafts are being used to minimize the risk of incidents caused by flammable gas. Also, as with Driefontein, Kloof requires extensive cooling infrastructure to maintain comfortable conditions for workers due to the extreme depth of its operations.

Newer areas of Kloof, particularly deep level operations, use the closely spaced dip pillar mining method, while older areas use the longwall mining method. The focus at mature areas of Kloof is on remnant pillar mining. Shaft Nos. 1, 3, 4 and 7 provide the main centers of current production at Kloof. Mining activity at Shaft No. 4, which began production in early 2000, is still in the build up phase and is expected to reach a sustainable production level during fiscal 2005. A development program with an associated exploration program to drill and to endeavor to establish additional proven reserves and improved grades in the Shaft No. 3D area was implemented in fiscal 2002 and development has commenced into certain areas of the VCR. In addition to its own production, Shaft No. 1 provides additional hoisting capacity for Shaft Nos. 3 and 4. As a response to the strength of the Rand against the U.S. dollar, Gold Fields decided to shift its focus at its South African operations to mining in higher grade areas. As a result, Kloof reduced its production from the Middelvlei Reef and stopped production at Shaft No. 9 in the second quarter of fiscal 2004.

Pre-feasibility studies on the Kloof Extension Area, or the KEA, and the Eastern Boundary Area, or EBA, were completed in fiscal 2003. A feasibility study on the KEA was completed in fiscal 2004. However, Gold Fields is continuing surface exploration drilling in the KEA and expects to complete studies in fiscal 2005. Surface drilling at the EBA to confirm the structural model and grade zones at particular depths was completed in fiscal 2004. The EBA is still at the pre-feasibility stage, and a full view on feasibility is not expected until late fiscal 2005 or early fiscal 2006. Gold Fields expects Shaft Nos. 3, 4 and 7 to be the primary sources of future production at Kloof.

Operationally, Gold Fields is focused on improving quality volume and the rate of development at the mine by introducing updated drilling technology, including development drill rigs operated from power packs and increasing the proportion of hydropower drill rigs. Various initiatives have been implemented with the

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intention of improving Kloof's mine call factor. Gold Fields has been experiencing difficulties with ore grades at the lower levels of Shaft No. 3 due to an unexpected variation in the structure of the VCR, and work is ongoing to overcome this problem.

The Kloof operation has access to the national electricity grid and water, road and rail infrastructure and is located near regional urban centers where it can routinely obtain needed supplies.

Detailed below are the operating and production results at Kloof for the past three fiscal years.

	Year ended June 30,		
	2002	2003	2004
Production			
Tonnes ('000)	4,657	4,838	4,983
Recovered grade (g/t)	7.4	7.3	6.5
Gold produced ('000 oz) ⁽¹⁾	1,101	1,140	1,038
Results of operations (\$ million)			
Total production costs	199.3	281.4	403.0
Total cash costs	178.8	245.9	353.8
Cash profit ⁽²⁾	111.3	134.2	47.2
Cost per ounce of gold (\$)			
Total production costs	195	246	388
Total cash costs	175	215	341

Notes:

(1) Includes production at Kloof Shaft No. 4, which was capitalized through the end of fiscal 2002 (2002: 75,000 ounces).

(2) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields' cash costs to production costs see Operating and Financial Review and Prospects' Results of Operations.

From fiscal 2003 to fiscal 2004, there was a significant increase in processing of surface rock dump material and a decrease in processing of underground tonnage. The decrease in gold produced was principally a result of the decrease in underground tonnage, which was part of a planned strategy to reduce lower grade mining in light of the strength of the Rand against the U.S. dollar. Gold Fields experienced an increase in total cash costs per ounce of gold from fiscal 2003 to fiscal 2004 at Kloof, principally as a result of the appreciation of the Rand against the U.S. dollar as well as higher Rand cash costs. Cash costs in Rand increased due primarily to above inflation wage increases and increases in other costs generally in line with inflation.

Output quality of the Kloof orebody improved as the mine switched to mining higher grades, primarily during the second half of the year. Gold production was below that achieved in fiscal 2003, largely because of the closure of the low grade areas at Shaft No. 9 and less than planned output at Shaft No. 4, where unpay areas and mining constraints affected production in the first half of fiscal 2004. In addition, plans were put into place to reduce the proportion of production from the Middlevelei and Kloof reefs which were considered lower grade areas.

The total shaft hoisting capacity of Kloof is detailed below.

Table of Contents**Shaft System**

Hoisting capacity	(tonnes/month)
No. 1	300,000
No. 3 ⁽¹⁾	150,000
No. 4 ⁽²⁾	110,000
No. 7	205,000
No. 8	75,000

Notes:

- (1) This shaft does not hoist material to the surface. It has a capacity of 150,000 tonnes per month for sub-surface hoisting.
- (2) This shaft hoists only waste rock to the surface. It has a capacity of 110,000 tonnes per month for sub-surface hoisting.

On a simplistic basis, and assuming that Gold Fields does not identify any additional reserves at Kloof, at the production level achieved in fiscal 2004, Kloof's June 30, 2004 proven and probable reserves of 27.3 million ounces of gold will be sufficient to maintain production through approximately fiscal 2034. However, because Kloof's operations consist of several different shafts that are at various stages of maturity, Gold Fields expects that some shafts will decrease production earlier than others. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2004, for each of the plants at Kloof:

Plant	Year commissioned	Processing Techniques		Capacity	Average milled for the year ended June	Approximate recovery factor for the year ended June
		Comminution Phase	Treatment phase		30, 2004	30, 2004
					(tonnes/month)	
No. 1 Plant	1970	Traditional crushing and milling	CIP treatment ⁽¹⁾ CIP treatment and	180,000	179,750	97.4%

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No. 2 Plant	1990	SAG milling	electrowinning	120,000	127,333	97.4%
		Traditional crushing and				
No. 3 Plant	1990	milling	CIP treatment ⁽¹⁾	140,000	108,250	92.1%

Note:

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(1) After CIP treatment, electrowinning occurs at No. 2 Plant.

In fiscal 2004, the Kloof plants collectively extracted approximately 97% of gold contained in ore delivered for processing.

A pumpcell installation was completed in October 2003 at the No. 3 Plant, and the central elution facility at the No. 2 Plant was commissioned in the first quarter of fiscal 2004. This now provides one central elution facility for the entire Kloof operation.

Capital Expenditure

Gold Fields spent Rand 344.4 million on capital expenditures at the Kloof operation in fiscal 2004. Of this amount, Gold Fields spent Rand 201.2 million continuing the development projects at Shaft Nos. 4 and 7, Rand 72.6 million on refrigeration projects, Rand 19.0 million on drilling at the Eastern Boundary Area, Rand 21.2 million on the three-dimensional seismic survey project at the KEA and Rand 19.5 million on continuing metallurgical plant upgrades. The remaining balance of capital expenditure in fiscal 2004 was spent on development projects, mining and ventilation equipment. Gold Fields has budgeted approximately Rand 261.9 million of capital expenditure at Kloof for fiscal 2005, principally for the completion of a sub-vertical shaft project at Shaft No. 4, a drop down project at Shaft No. 3, and the refrigeration and the main shaft pillar extraction. Total capital expenditure for fiscal 2005, may be reduced should Rand gold prices remain depressed.

Beatrix Operation

Introduction

The Beatrix operation is located in the Free State Province of South Africa, near Welkom and Virginia, and comprises the Beatrix mine. The Beatrix operation was formerly known as the Free State operation. Gold Fields renamed the operation Beatrix following the sale of the St. Helena mine to FreeGold on October 30, 2002.

The Beatrix mine is located in the southern Free State of South Africa some 240 kilometers southwest of Johannesburg. Beatrix operates under a mining license with a total area of 16,821 hectares. It is only an underground operation, with the exception of a nominal amount of surface production from processing rock dump material. Beatrix has four shaft systems serviced by two metallurgical plants. It has shallow to intermediate depth operations, at depths between 700 meters and 2,200 meters. In the fiscal year ended June 30, 2004, Beatrix produced 0.6 million ounces of gold. As of June 30, 2004, Beatrix had approximately 12,200 employees, including a limited number employed by outside contractors.

History

Beatrix's present scope of operations is the result of the consolidation with effect from July 1, 1999 of two adjacent mines: Beatrix and Oryx. Gold mining commenced at Beatrix in 1985 and at Oryx in 1991.

Geology

The Beatrix mine exploits the Beatrix Reef, or BXR, at Shaft Nos. 1, 2 and 3, and the Kalkoenkrans Reef, or KKR, at Shaft No. 4 (the former Oryx mine). The reefs dip to the north and northeast at between 4° and 9°, and are developed on the Aandenk erosional surface.

In general the BXR occurs at depths between 570 meters and 1,380 meters and the KKR occurs at depths of between 1,800 meters and 2,200 meters. Both the BXR and KKR reefs are markedly channelized and consist of multi-cycle,

upward fining conglomerate bands with sharp erosive basal contacts. A general east-west paytrend some 800 to 1,000 meters wide has been identified east of Shaft No. 4 and is known as Zone 5. In

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addition, surface exploratory drilling and underground development has exposed additional reserves to the south of the main channel of Zone 5 which now represents the majority of the reserves at the operation.

Mining

The Beatrix mine is engaged in underground mining, and is thus subject to all of the underground mining risks discussed in the Risk Factors section. The primary safety risks at Beatrix are falls of ground and flammable gas explosions. In fiscal 2001, following two fatal flammable gas explosions, regulatory authorities issued an order to stop operations at Beatrix for a period of 10 days while the mine was inspected and declared safe to resume operations. Following the accidents, management has worked actively to remedy the most significant problems which resulted in the explosion, and has implemented, the recommendations arising out of the Department of Mineral and Energy's investigation of the incident. These remedies have included providing additional safety training and equipment for employees, establishing new monitoring and ventilation procedures and installing additional remote sensing equipment. Beatrix uses a telemetric monitoring system coupled with an extensive ventilation system to help monitor flammable gas. The safety record at the Beatrix operation during fiscal 2004, in terms of serious injury frequency rate and fatal injury frequency rate, was better than the South African industry average for the same period. In fiscal 2004, there were four fatalities at Beatrix due to falls of ground (including rock bursts). There have been no fatalities to date at Beatrix in fiscal 2005.

Beatrix requires cooling infrastructure to maintain comfortable conditions for workers at depth, although not to the degree necessary at Driefontein and Kloof. A refrigeration project at Shaft No. 3 to provide additional cooling capacity, which was originally scheduled to be completed in fiscal 2004, was postponed until fiscal 2006.

Mining at Beatrix is based upon the scattered mining method. Activity at Shaft No. 3 is focused upon haulage development and initial stoping in order to build up production at the shaft. The power source being used at Shaft No. 3 for a variety of activities including drilling is hydropower, as opposed to compressed air, with a majority of the mining equipment being run off a high pressure water system. The benefits of the system include improved cooling underground, improved machine efficiency, lower noise levels and less power wastage.

Shaft Nos. 1, 2 and 4 are the primary sources of production at present and over time Gold Fields expects mining concentration to shift to Shaft No. 3. Gold Fields experienced inconsistent performance at Shaft No. 4 in fiscal 2004 due to grade swings at the KKR, which is characterized as being a highly erratic reef structure, making access to the orebody more difficult. In fiscal 2004, Gold Fields worked to improve ventilation and rock removal systems at Shaft 4.

Operationally, Gold Fields implemented an initiative in fiscal 2002 called Project M to mine previously developed low grade ore on a marginal cost basis, and this initiative has continued in fiscal 2004 and fiscal 2005. This ore is hoisted at Shaft Nos. 1 and 2 and transported, by road, to take advantage of spare metallurgical capacity at the No. 2 Plant. In addition, Gold Fields is also focusing on various productivity initiatives, such as programs to increase the mine call factor and new drilling and support methods and technologies. A new ventilation shaft at Shaft No. 2 was completed in fiscal 2004 which has improved underground environmental conditions at Shaft No. 2.

Gold Fields expects to increase volumes at Shaft Nos. 3 and 4 in order to offset lower grades at Beatrix and improve gold output from current levels. Gold Fields is focusing on optimizing the mining mix to maintain steady grades at Beatrix. Higher rates of development are planned and the holing of raises at Shaft No. 3 is expected to create additional ore reserve flexibility.

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The Beatrix mine has access to the national electricity grid and water, road and rail infrastructure and is located near regional urban centers where it can routinely obtain needed supplies.

Detailed below are the operating and production results at Beatrix for the past three fiscal years.

	Year ended June 30,		
	2002	2003	2004
Production			
Tonnes (000)	4,115	4,722	5,448
Recovered grade (g/t)	4.9	4.3	3.6
Gold produced (000 oz)	655	659	625
Results of operations (\$ million)			
Total production costs	125.3	171.5	245.5
Total cash costs	110.5	151.1	222.2
Cash profit	77.3	66.5	19.2
Cost per ounce of gold (\$)			
Total production costs	191	260	393
Total cash costs	169	229	356

Note:

(1) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields' cash costs to production costs see Operating and Financial Review and Prospects' Results of Operations.

Although tonnage increased from fiscal 2003 to fiscal 2004, ounces of gold produced decreased due to lower average grades as the tonnage increase came primarily from an increase in lower grade surface material processed on site.

Underground grades were also marginally lower during 2004. The increase in total cash costs per ounce of gold from fiscal 2003 to fiscal 2004 at Beatrix was as a result of the lower production and recovered grade and the appreciation of the Rand against the U.S. dollar.

Lower grade and marginal mining activities were curtailed and crews redeployed to higher grade panels as they became available. Development was primarily focused on the build up of Shaft No. 3 and establishing ore reserves for the higher grade area of Zone 5 at Shaft No. 4, where potential stoping of a well-developed conglomerate with higher grade potential has been identified.

The total shaft hoisting capacities of Beatrix are detailed below.

Shaft System

Hoisting capacity	(tonnes/month)
No. 1	170,000
No. 2	170,000
No. 3	170,000
No. 4	160,000

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On a simplistic basis, and assuming that Gold Fields does not identify any additional reserves at Beatrix, at the production level achieved in fiscal 2004, Beatrix's June 30, 2004 proven and probable reserves of 9.8 million ounces of gold will be sufficient to maintain production through approximately fiscal 2023. However, because Beatrix's operations consist of several different shafts that are at various stages of maturity, Gold Fields expects that production at some shafts will decrease earlier than at others. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2004, for each of the plants at Beatrix:

Plant	Year commissioned	Processing Techniques		Capacity	Average milled for the year ended June 30, 2004	Approximate recovery factor for the year ended June 30, 2004
		Comminution Phase	Treatment phase		(tonnes/month)	
No. 1 Plant	1983	SAG milling	CIP treatment	250,000	266,000	95.9%
No. 2 Plant	1992	SAG milling	CIP treatment	150,000	112,400	95.0%

In fiscal 2004, the Beatrix plants collectively extracted approximately 95.7% of gold contained in ore delivered for processing.

During fiscal 2003, Beatrix put in place arrangements with a nearby mining operation to treat surface tonnage from Beatrix. In August 2004, this arrangement was terminated by the nearby mining operation. Alternative in-house treatment options are currently being pursued by Gold Fields to treat surface tonnage, including a screening project at No. 2 Plant targeted to remove more waste rock from surface tonnage prior to processing.

Also in fiscal 2004, Gold Fields also installed a Knelson concentrator at the No. 1 Plant which removes large pieces of gold earlier in the metallurgical process.

Capital Expenditure

Gold Fields spent Rand 295.1 million on capital expenditures at the Beatrix operation in fiscal 2004. This amount includes a total of Rand 22.2 million spent on a new ventilation shaft to service Shaft No. 2, Rand 170.5 million on continuing development at Shaft No. 3 and Rand 8.9 million on installation of Knelson concentrators for the No. 1 plant. Capital spending was curtailed during the year due to low profitability. Gold Fields has budgeted approximately Rand 280 million of capital expenditure at Beatrix for fiscal 2005, principally for development at Shaft No 3. Total capital expenditure for fiscal 2005 may be reduced should Rand gold prices remain depressed.

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Ghana Operation

The Ghana operation is comprised of the Tarkwa and Damang mines.

Tarkwa Mine

Introduction

Gold Fields Ghana, which holds the interest in the Tarkwa mine, is owned 71.1% by Gold Fields, 18.9% by IAMGold and 10.0% by the Government of Ghana.

The Tarkwa mine is located in southwestern Ghana, about 300 kilometers by road west of Accra. The Tarkwa mine consists of several open pit operations on the Tarkwa property and the adjacent northern portion of the Teberebie property which Gold Fields acquired in August 2000, together with two heap leach facilities, one on the Tarkwa property, referred to as the North Plant, and the other on the northern portion of the Teberebie property, referred to as the South Plant. A new SAG mill and CIL plant commenced continuous operations at the Tarkwa property in November 2005. For regulatory purposes, Ghanaian regulators generally regard the Tarkwa property and the acquired portion of the Teberebie property as a single operation. The Tarkwa mine operates under mining leases with a total area of approximately 20,700 hectares. It currently conducts only surface operations, although it previously had a small underground mining operation which it operated through July 1999 under Gold Fields' agreement with the government of Ghana. In the fiscal year ended June 30, 2004, Tarkwa produced 0.5 million ounces of gold, of which 0.4 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in Gold Fields Ghana. As of June 30, 2004, Tarkwa had approximately 3,300 employees, including a limited number employed by outside contractors.

History

Investment in large scale mining in the Tarkwa area commenced in the last quarter of the nineteenth century. In 1993, Gold Fields of South Africa, or GFSA, took over an area previously operated by the State Gold Mining Corporation, or SGMC. SGMC had in turn acquired the property from private companies owned by European investors. Following initial drilling, feasibility studies and project development (which included the removal of overburden and the resettlement of approximately 22,000 people), mining operations commenced in 1997. Ore processing began at the North Plant in March 1998 and at the South Plant in December 2000.

Geology

Gold mineralization at Tarkwa is hosted by Proterozoic Tarkwaian metasediments, which unconformably overlie a Birimian greenstone belt sequence. Gold mineralization is concentrated in conglomerate reefs and has some similarities to deposits in the Witwatersrand Basin in South Africa. The deposit comprises a succession of stacked, tabular palaeoplacer units consisting of quartz pebble conglomerates. Approximately 10 such separate economic units occur in the concession area within a sedimentary package ranging from 40 meters to 110 meters in thickness. Low grade to barren quartzite units are interlayered between the separate reef units.

Five separate production areas are centered on the Pepe Anticline, a gently north plunging fold structure that outcrops as a whaleback hill. The sedimentary sequence and interlayered waste zones between the areas of mineralization thicken to the west.

Mining

The Tarkwa mine is engaged in both open pit and production stockpile surface mining, and is thus subject to all of the surface mining risks discussed in the Risk Factors section. Although surface mining generally is less dangerous than underground mining, serious and even fatal accidents do still occasionally occur. While there is no reliable industry benchmark for safety at Ghanaian surface mining operations, the Tarkwa mine had a

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lost time injury frequency rate of approximately 1.2 per million man hours worked in fiscal 2004. There was one fatality in each of fiscal 2003, 2004 and, to date, in fiscal 2005. There were no reported fatalities at the Tarkwa mine in fiscal 2002.

Tarkwa uses the typical open pit mining methods of drilling, blasting, loading and hauling. The progression of blasting downwards into the open pit occurs in steps of six meters (or in some cases three meters) with the ore loaded into 150 tonne dump trucks.

Tarkwa currently presents no unusual challenges beyond those faced at most open pits and heap leaching mining operations, including variations in amenability of ores to leaching. However, harder ores are expected at Tarkwa which could reduce throughput at the North Plant Heap Leach facility and at the South Plant Heap Leach facility. The primary operational challenges include managing effective grade control, lowering operating costs and managing gold-in-process on heap leach pads (gold in the processing circuit that is expected to be recovered during or after operations). A new SAG mill and CIL plant was commissioned in early fiscal 2005 to add to the processing capabilities at Tarkwa.

Most mining labor at Tarkwa was previously provided by a contractor, African Mining Services (Ghana) Pty Ltd., or AMS, which is a joint venture between two Australian mining service contractors. Pursuant to a contract with Gold Fields Ghana, AMS provided employees, supplies and equipment for mining at Tarkwa, including drilling, blasting and waste stripping, as well as the haulage of the material produced from the mining activities, including both ore and waste. The contract with AMS expired at the end of fiscal 2004. Gold Fields has subsequently taken over the mining activities previously performed by AMS, having purchased its own mining fleet of equipment during the latter half of fiscal 2004. The transition from contractor mining to owner mining has gone smoothly to date with Gold Fields re-engaging the majority of the AMS operators and AMS being totally phased out during August 2004. Maintenance and repair contracts have been entered into with all the suppliers of the major equipment. Similar mining equipment to that used by AMS has been acquired to enable the mine to maintain good control over its selective mining methods. The conversion from contractor mining to owner mining at the Tarkwa mine was completed in the first quarter of fiscal 2005.

The Tarkwa mine has access to the national electricity grid, water and road infrastructure. Most supplies are trucked in from either the nearest seaport, which is approximately 140 kilometers away by road in Takoradi, or from Tema near Accra, which is approximately 300 kilometers away by road.

Detailed below are the operating and production results at Tarkwa for the past three fiscal years.

	Year ended June 30,		
	2002	2003	2004
Production			
Tonnes (000)	14,914	15,210	16,000
Recovered grade (g/t)	1.1	1.1	1.1
Gold produced (000 oz) ¹⁾	544	540	550
Results of operations (\$ million)			
Total production costs	105.0	121.5	141.7
Total cash costs	89.7	105.0	126.4
Cash profit ²⁾	62.9	74.4	86.8
Cost per ounce of gold (\$)			

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	Year ended June 30,		
	2002	2003	2004
Total production costs	193	225	258
Total cash costs	165	195	230

Notes:

- (1) In fiscal 2002, 2003 and 2004, 0.386 million ounces of production, 0.384 million ounces of production and 0.391 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation.
- (2) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields' cash costs to production costs see Operating and Financial Review and Prospects Results of Operations. From fiscal 2003 to fiscal 2004, tonnage treated rose due to continued improvements to both the North and South Plants. Ounces of gold produced increased less, proportionally, than tonnage due to decreasing recovery from the heap leach pads. At the same time, total cash and production costs have increased mainly due to increased waste tonnage.

On a simplistic basis, and assuming that no additional reserves at Tarkwa are identified, at the production level achieved in fiscal 2004, Tarkwa's June 30, 2004 total proven and probable reserves of 14.7 million ounces (10.4 million ounces of which were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation) will be sufficient to maintain production through approximately fiscal 2027. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

Tarkwa's ore can be processed using conventional heap leach techniques with acceptable recoveries. The current operation incorporates two separate heap leach circuits, the North Plant and the South Plant. The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during the fiscal year ended June 30, 2004, for each of the plants at Tarkwa:

Plant	Year commissioned	Processing Techniques		Capacity	Average treated for the year ended June	Approximate progressive recovery factor for the year ended June
		Comminution Phase	Treatment phase		30, 2004	30, 2004
					(tonnes/month)	
		Multiple stage				

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North Plant Heap Leach Facility	1997	crushing and screening process and agglomeration	Heap leach ⁽¹⁾ with AD&R treatment	810,000	803,041	77%
South Plant Heap Leach Facility	1992	Multiple stage crushing and screening process and agglomeration	Heap leach ⁽¹⁾ with AD&R treatment and electrowinning	530,000	530,269	61.8%

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Note:

(1) Heap leach recoveries are the result of an extended solution application process with full recovery requiring several leach cycles. Full recovery of all recoverable gold for current ores is only achieved over several years. Thus, recoveries must be considered in terms of recovery as time progresses, or a progressive recovery. Over time, Gold Fields expects both plants to achieve progressive recovery factors of around 67% of contained gold, equivalent to full recovery of all recoverable gold during the life of mine.

During fiscal 2004, the two crushing plants at Tarkwa remained in use while the heap leach pads were upgraded. In fiscal 2004, Gold Fields also undertook to expand the processing facilities at Tarkwa by construction of a new SAG mill and commissioning of a CIL plant. By June 30, 2004, \$78 million of the \$85 million approved for the mill project had been spent. At that time, earthwork and major structural work had been largely completed, while the SAG mill had been installed and the bulk of the electricity supply infrastructure had been finished. During the last quarter of the 2004 fiscal year, the new primary crusher was put into operation to feed the North Plant Heap Leach facility, while that plant's crusher was shut down for a major upgrade. The new SAG mill and CIL plant commenced continuous operations in November 2004.

Gold Fields also took steps to address the expected impact of harder ores on the South Plant Heap Leach Facility and moved crushing equipment from the old Teberebie plant to the South Plant to offset any reduction in throughput due to harder ores and to provide increased screening capacity. Additional solution delivery and handling capabilities have been added to the South Plant Heap Leach facility as well.

Capital Expenditure

Gold Fields spent \$136.7 million on capital expenditures at the Tarkwa operation in fiscal 2004, of which \$131.1 million was spent on the Tarkwa expansion project, which consisted of the conversion to owner mining and the new mill, and \$6 million was spent on the expansion of the North Plant Heap Leach Facility and leach pads. Gold Fields has budgeted approximately \$72 million for capital expenditure at Tarkwa for fiscal 2005, principally for heap leach pad construction and additional mining equipment, as well as on the remaining work for the commissioning of the new CIL plant and SAG mill and the transition to owner mining.

Damang Mine

Introduction

On January 23, 2002, Gold Fields and Repadre completed the acquisition from Ranger of Ranger's 90% beneficial interest in Abosso and shareholder loans from Ranger to Abosso totaling A\$75.7 million (\$39.4 million at an exchange rate of A\$1.92 per \$1.00, which was the noon buying rate on the date of the transaction). Abosso is a Ghanaian company which owns the Damang mine. Total consideration for the purchase was A\$63.3 million (\$32.9 million at an exchange rate of A\$1.92 per \$1.00) in cash contributed by

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Gold Fields and 4,000,000 Repadre shares. Following the transaction, 71.1% of Abosso was owned by Gold Fields, 18.9% by Repadre and 10.0% by the Ghanaian government, mirroring the shareholding structure of Gold Fields Ghana. Repadre's interest was acquired by IAMGold when the latter merged with Repadre on January 8, 2003.

The Damang mine is located in the Wassa West District in southwestern Ghana approximately 360 kilometers by road west of Accra and approximately 30 kilometers by road northeast of the Tarkwa mine. It consists of an open pit operation with a SAG mill and CIL processing plant.

Damang operates under a mining lease with a total area of approximately 5,239 hectares. In the fiscal year ended June 30, 2004, the Damang mine produced 0.3 million ounces of gold, of which 0.2 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in Abosso. As of June 30, 2004, Damang had approximately 900 employees, including those employed by outside contractors.

History

Mining on the Abosso concession began with underground mining in the early twentieth century. In the late 1980s, Ranger commenced a project to study the feasibility of surface mining at Damang, which culminated in an agreement with the government of Ghana to develop and conduct surface mining at the site. Surface mining at Damang commenced in August 1997, and Gold Fields assumed control of the operations on January 23, 2002.

Geology

The geology of the Damang mine is different from that of the Tarkwa mine. The deposit occurs at the hinge of a regional anticline as hydrothermal mineralization associated with dominantly east dipping thrusts and sub-horizontal quartz veins. Primary gold mineralization also occurs in the conglomerates of the Tarkwaian Formation.

Mining

The Damang mine comprises both open pit and production stockpile surface mining, and is thus subject to all of the surface mining risks discussed in the Risk Factors section. Although surface mining generally is less dangerous than underground mining, serious and even fatal accidents do still occasionally occur. While there is no reliable industry benchmark for safety at Ghanaian surface mining operations, the Damang mine had a lost time injury frequency rate of approximately 0.6 per million man hours worked. There were no reported fatalities at the Damang mine in fiscal 2002, 2003, 2004 or, to date, in fiscal 2005.

Damang uses the typical open pit mining methods of drilling, blasting, loading and hauling. The progression of blasting downwards into the open pit occurs in three meter flitches, which are then combined to form steps of six meters with the ore loaded into 100 tonne dump trucks.

Other than the unusual hardness of the rock at the site, Damang presents no unusual challenges beyond those faced at most open pits and ore processing operations, including variation in ore grades.

Following the acquisition of this mine in January 2002, an exploration programme was started to seek alternative sources of ore to replace the Damang pit, by testing both hydrothermal and conglomerate styles of mineralization across the Damang lease area. Following completion of the bulk of drilling by the middle of fiscal 2003, a full time evaluation project, the Damang Extension Project (DEP), was launched to turn this exploration to account. This work has successfully brought additional mineral reserves to account from conglomerate ore bodies, and from hydrothermal prospects, which are expected to add further life to this mine. The DEP has also identified an opportunity to undertake a cut back of the main Damang pit, the drilling of which began at fiscal year end. This cutback has the potential to

further increase the life of Damang. Gold Fields is also exploring options to develop an underground mine below the Damang pit.

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A substantial proportion of the operations at Damang is performed by a mining contractor, AMS. Pursuant to a contract with Abosso, AMS provides employees, supplies and equipment for mining at Damang, including drilling, blasting and waste stripping, as well as the haulage of the material produced from the mining activities, including both ore and waste. AMS receives fees under the contract which depend on the type of service being performed and the equipment being used, with adjustments for overtime and holiday periods. Under the terms of the contract, AMS is liable for any damage or loss it causes, including that caused by any subcontractor it hires. AMS is not liable for damage that is the result of work performed in accordance with the terms of the contract, which is unavoidable or which is caused by any negligent act or omission of employees of Abosso or third parties over whom AMS has no control. AMS is required to take out insurance to cover potential damage and liability. Gold Fields can terminate its contract at any time without paying any significant penalties or having to purchase any of AMS's equipment.

The Damang mine has access to the national electricity grid, water and road infrastructure. Most supplies are trucked in from either the nearest seaport, which is approximately 200 kilometers away by road in Takoradi, or from Accra, which is approximately 360 kilometers away by road.

Detailed below are the operating and production results at Damang for the six-month period ended December 31, 2001, the period from January 23, 2002 to June 30, 2002 and the fiscal years ended June 30, 2003 and 2004.

	Six-month period ended December 31,	Period from January 23, 2002 to June	Fiscal	Fiscal
	2001	30, 2002 ⁽²⁾	2003	2004
Production				
Tonnes ('000)	2,204	1,951	4,877	5,236
Recovered grade (g/t)	2.0	2.3	1.9	1.8
Gold produced ('000 oz ⁽¹⁾)	143	141	299	308
Results of operations (\$ million)				
Total production costs	42.8	32.9	77.9	75.5
Total cash costs	35.0	29.9	72.6	68.5
Cash profit ⁽³⁾	8.8	15.7	26.9	51.5
Cost per ounce of gold (\$)				
Total production costs	298	233	260	245
Total cash costs	244	211	243	222

Notes:

- (1) In the period from January 23, 2002 to June 30, 2002, 0.100 million ounces and in fiscal 2003 and 2004, 0.213 million ounces and 0.219 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in Abosso.
- (2) Financial data for the period from January 23, 2002 to June 30, 2002 and for the years ended June 30, 2003 and 2004 are based on Gold Fields' audited financial statements for the years ended June 30, 2002, 2003 and 2004, respectively, which have been prepared in accordance with U.S. GAAP and are not comparable with financial data based on the unaudited financial statements for Abosso for the six-month period ended December 31, 2001 which have been prepared in accordance with IFRS and reconciled to U.S. GAAP.

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(3) Cash profit represents revenue less cash costs. Cash costs are reconciled in Operating and Financial Review and Prospects Results of Operations.

Performance from the Damang operation during fiscal 2004 was positive, both from a mining and processing point of view. As expected, the mine began to experience a decline in head grades with the maturity of the high grade Damang hydrothermal pit. Although ongoing optimization of the mill feed blend and plant set up allowed Gold Fields to treat more tonnage than the previous year, only a slight increase in gold production resulted in fiscal 2003. Total production and cash costs increased due to decreases in the stripping ratio as the Damang open pit nears the end of its life of mine.

On a simplistic basis, and assuming that no additional reserves are identified at Damang, at an annualized production level based on actual production for fiscal 2004, Damang's June 30, 2004 total proven and probable reserves of 0.6 million ounces (0.4 million ounces of which were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation) will be sufficient to maintain production through approximately fiscal 2007. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

All processing at Damang is provided by a single plant. The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2004 for the plant:

<u>Plant</u>	<u>Year commissioned</u>	<u>Processing Techniques</u>		<u>Capacity</u>	<u>Average milled for the year ended June 30,</u>	<u>Approximate progressive recovery factor for the year ended June 30,</u>
		<u>Comminution Phase</u>	<u>Treatment phase</u>		<u>2004</u>	<u>2004</u>
		Single stage			(tonnes/month)	